



Daily Report

China

FBIS-CHI-88-038
Friday
26 February 1988

Daily Report China

FBIS-CHI-88-038

CONTENTS

26 February 1988

INTERNATIONAL AFFAIRS

General

'Concern' Over U.S.-Japan Role in Indian Ocean	[RENMIN RIBAO 24 Feb]	1
GATT Discusses Restoration of PRC Membership		1

United States & Canada

Finance Minister Meets U.S. Business Executive		2
--	--	---

Northeast Asia

Japanese Remarks on Cave Dwellers 'Ridiculous'	[Hong Kong WEN WEI PO 26 Feb]	2
Roundup on 'Problems' Facing South Korea's No		2

Southeast Asia & Pacific

Spokesman Rejects SRV Spratly Islands Warning	[AFP]	3
Sihanouk Denies 'Secret' Pact With Hun Sen		3
Thai-Lao Talks on 'Demarcation Line' Urged		4
Army Leaders Make 'Suggestion'		4
Ministry-level Talks Proposed		4
Tianjin Mayor Hosts Outgoing Australian Envoy		5
Jiangsu Farmer's Joint Australian Venture		5

Near East & South Asia

Hu Qili Meets Mauritian Delegation		5
Wu Xueqian Receives Nepalese Boundary Group		5
CPC Delegation Visits Sana'a on 7-Day Visit		5
Envoy Fetes Kuwaiti National Day, Notes Ties		6

Sub-Saharan Africa

RSA Anti-apartheid Measures 'Strongly Condemned'		6
Labor Service Protocol Signed with Zimbabwe		6

West Europe

Li Peng Meets San Marino Captains Regent		7
Loans Speed Up Telecommunications Construction	[CHINA DAILY 25 Feb]	7
Painter Awarded Belgian Medal in Beijing		8

East Europe

CSSR Envoy Marks 'February Victory' Anniversary		8
---	--	---

NATIONAL AFFAIRS

Deng Article To Urge Limiting CPC Role	[Hong Kong WEN WEI PO 26 Feb]	9
Zhao Said To Visit Hainan, Vietnam Border	[Hong Kong SOUTH CHINA MORNING POST 26 Feb]	9
Zhao Suggests Shenzhen Self-Legislation	[Hong Kong TA KUNG PAO 26 Feb]	10
Article Views Zhao, Other Leaders' Zhuhai Visit	[Hong Kong TA KUNG PAO 26 Feb]	10

Circular Restricts Institutional Purchases	11
Media Handling of Famed Factory Manager Viewed [Hong Kong TA KUNG PAO 25 Feb-2 Mar] ...	13
Writer Liu Binyan Undaunted by Setbacks [Hong Kong TA KUNG PAO 25 Feb-2 Mar]	14
RENMIN RIBAO on Zhou's 'Glorious Image' [12 Feb]	14
Leaders Inaugurate New Deng Picture Album	27
Hu Qili Visits Tianjin Sites, Political Forum	27
Writers, Artists Hold Spring Festival Party [GUANGMING RIBAO 9 Feb]	28
Chen Muhua, Zhejiang Governor Open Fair	29
Official Discusses Conscription Practices	29
Preferential Treatment for Servicemen Viewed [RENMIN RIBAO 16 Feb]	30
Commentator Stresses Emancipation of Mind [JIEFANGJUN BAO 10 Feb]	30
Military Auto Industry To Serve Civilian Needs [CHINA DAILY 25 Feb]	31
Machinery, Electronic Exports Increase	32
Benefits of Shareholding System Endorsed [GUANGMING RIBAO 6 Feb]	32
'News Analysis' on New Economic Features	33
XINHUA on Nine Statistics Communiques	34
Article Argues Against Relaxing Tax Policy [GUANGMING RIBAO 6 Feb]	36
Women Demand Equal Employment Opportunities	37
Journal Views Centralized Land Management [JINGJIXUE ZHOUBAO 7 Feb]	38
Commentator on Keeping Art, Literature Policies [CHINA DAILY 25 Feb]	39
Commentator on Reforming Literature, Art [GUANGMING RIBAO 9 Feb]	39

REGIONAL AFFAIRS

East Region

Jiangxi Measures To Speed Economic Development	41
Shandong's Liang on Development Strategies	41
Jiang Zemin Sends Plane For Shanghai Cadres [WEN HUI BAO 17 Feb]	42

Central-South Region

Guangdong's Experimental Reform Discussed [LIAOWANG OVERSEAS EDITION 8 Feb]	42
Shenzhen Issues Cross-Border Traffic Regulations	45
Hainan To Have More Control in Import, Export [CHINA DAILY 25 Feb]	45

Southwest Region

Sichuan To Raise Pork Price Restrictions	46
Lamas Say Tibetan Nationalist Dies in Prison [AFP]	46
Xizang Leaders Attend Religious Festival	47
Xizang Religious Ceremony Shown Live on TV	47

North Region

Beijing Private Organizations Help Development	47
Shanxi To Solicit Public's Suggestions	48

Northwest Region

CPC Appoints Qinghai Party Deputy Secretary	48
---	----

PRC MEDIA ON TAIWAN AFFAIRS

Taiwan Paper Cited on New Policy Toward Mainland	49
--	----

TAIWAN

President Li Meets With Japanese Dietmen 25 Feb	50
'Ranking' KMT Members Allowed To Visit Mainland [AFP]	50
'Family Visits' to Mainland Said Used for Business [CHINA POST 20 Feb]	50

Caution Urged in Trade with E. Europe, Mainland	50
Opposition Party To Hold Seminars on Independence [CHINA POST 16 Feb]	50

HONG KONG & MACAO

Hong Kong

UK Team Walks Out of Defense Talks [SOUTH CHINA MORNING POST 26 Feb]	52
UK Ambassador to PRC Visits Hong Kong	53
Briefs Executive Councillors [SOUTH CHINA MORNING POST 24 Feb]	53
Comments on Joint Declaration [XINHUA]	53
UK Minister Criticized Over SRV Refugees [SOUTH CHINA MORNING POST 25 Feb]	53
Law Drafter To Probe PRC-UK 'Secret Agreement' [SOUTH CHINA MORNING POST 26 Feb]	54
PRC Trade Body to Open Local Office [SOUTH CHINA MORNING POST (BUSINESS POST) 24 Feb]	55
CPC Recruitment Drive Produces Poor Results [SOUTH CHINA MORNING POST 24 Feb]	55

General

'Concern' Over U.S.-Japan Role in Indian Ocean

HK250928 Beijing RENMIN RIBAO in Chinese
24 Feb 88 p 6

["Jottings" by Szi Bei: "Will Japan Set Foot in the Indian Ocean?"]

[Text] The Japanese press has reported that two U.S. Navy officers recently proposed unofficially to Japan that the scope of the sea lanes under Japanese protection be extended from the Pacific into the Indian Ocean. According to the reports, the specific method is to use U.S. political and military influence, along with Japanese economic strength, to effect U.S.-Japanese "common defense" in the Indian Ocean. This new U.S. proposal has already aroused the attention of Japanese sectors concerned.

During the Gulf tension last year, the United States demanded that Japan provide economic support, citing as its reason the fact that the U.S. Navy protecting oil tankers there was also protecting Japanese interests. Certain U.S. think tanks also devised a "joint super-power scheme," which would use U.S. political and military means along with Japan's economic strength to enable the United States to continue to pursue a super-power policy in the world. Judging by this, there is nothing accidental about the U.S.-Japanese "common defense" trial balloon released again by these U.S. Navy officers.

Henry Kissinger has predicted on many occasions recently that Japan will become a great military power. This is probably because the current international political and economic pattern is favorable for certain people in Japan to expand armaments by citing as reasons the Soviet threat and Japanese domestic requirements; while the United States, based on its own immediate interests, provides vigorous support in this respect. A decision that Japan's status in U.S. global strategy should be expanded from the Pacific into the Indian Ocean can only mean luring Japan into becoming a military great power.

However, it is still doubtful whether this U.S. scheme can be realized. First of all, there is no reason why Japan should be willing to pull America's chestnuts from the fire. Japan enjoys excellent economic and trade relations with many maritime states around the Indian Ocean, and at present there is no tension in that region that could lead to the cutting of trade routes. There is therefore no reason why Japan should follow the United States in acting ostentatiously in the Indian Ocean. Of course, certain people in Japan want to make use of this to advance toward becoming a great military power, but will Japan's domestic political situation permit the country to follow the United States to this extent? Moreover, Japan needs to preserve a good international image, to

avoid stirring up people's memories of the past. Therefore, it is understandable that the Japanese should take a cautious attitude toward this U.S. trial balloon.

It is very hard to say how this will develop, since it is necessary to watch how the many related factors will evolve and act on each other. However, since the question has been posed, the peoples of Asia must be concerned about what the answer will be.

GATT Discusses Restoration of PRC Membership

OW250607 Beijing XINHUA Domestic Service in Chinese 1520 GMT 23 Feb 88

[Text] Geneva, 23 Feb (XINHUA)—A work group of the General Agreement on Tariffs and Trade [GATT] began a 2-day meeting today to review questions pertaining to the resumption of China's membership.

A Chinese delegation, led by Shen Jueren, assistant minister of foreign economic relations and trade, has attended the meeting.

Speaking at the morning session today, Shen Jueren said that with the resumption of its membership in GATT, China expects to be accorded the most-favored-nation treatment. It also expects to gain the status of preferential treatment for developing countries in the rights and obligations prescribed by GATT. This would enable Chinese enterprises to participate equally in international competition and to facilitate the process of China's economic and trade reforms, thereby expanding trade between China and GATT contracting parties.

During the session, Shen Jueren also briefed the delegations from contracting parties on China's economic reform and open policy, hoping that they will look at China's economic and trade reforms from an evolving perspective. He emphasized that China's participation in the multilateral international trade system will be conducive to not only China's economic growth but also world trade and the strengthening of the GATT system.

Shen Jueren also expressed the Chinese Government's willingness to enter into substantive negotiations with contracting parties on the resumption of its GATT membership on the basis of tariff concessions. He added that preparations for negotiations are underway, and invitations for negotiations on tariff concessions will be extended at an appropriate time.

GATT currently has 96 contracting parties. Many of them have welcomed China's request for readmission. The overwhelming majority of contracting parties practice a market-oriented economy while China's economic structure is based on the combination of state planning and market regulation. Therefore, many contracting parties and countries applying for GATT membership

have shown a keen interest in the conditions under which China will return to GATT and in whether China's economic and trade structures are suitable for the GATT system.

United States & Canada

Finance Minister Meets U.S. Business Executive
OW250911 Beijing XINHUA in English 0747 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—Chinese State Councillor and Minister of Finance Wang Bingqian today discussed Sino-U.S. economic cooperation with S. P. Gilbert, chairman of the Morgan Stanley Co. Inc. of the United States.

The U.S. visitors, who are here as guests of the China International Trust and Investment Corporation, held talks with officials of relevant Chinese economic departments in the past few days.

Northeast Asia

Japanese Remarks on Cave Dwellers 'Ridiculous'
HK261040 Hong Kong WEN WEI PO in Chinese
26 Feb 88 p 1

[ZHONGGUO TONGXUN SHE Report: "Important Official of Japanese Liberal Democratic Party Openly Attacks China"]

[Text] Hong Kong, 25 Feb (ZHONGGUO TONGXUN SHE)—According to a Tokyo report, Michio Watanabe, director of the Policy Coordination Council of the Japanese Liberal Democratic Party, openly attacked China yesterday. He said that China has many people living in caves, because of bad policies. Watanabe said this in a street speech-making event launched by the Liberal Democratic Party yesterday afternoon. He said: "In the neighborhood of Shanxi (China), there are many, many people living in caves. This is because their policies are bad. That's clear."

It is ridiculous for Watanabe to lump living in caves with politics. He obviously does not know that Shanxi's cave residences have, in fact, won praise from international experts on human dwellings.

There is a general feeling in the Japanese press that Watanabe's remarks could have a new impact on the already unstable Japanese-Chinese relationship.

Roundup on 'Problems' Facing South Korea's No
OW252331 Beijing XINHUA in English 1253 GMT
25 Feb 88

["Roundup: New South Korean President Faces Old Problems"—XINHUA headline]

[Text] Pyongyang, February 25 (XINHUA)—No Tae-u was inaugurated as South Korea's 13th president today, succeeding Chon Tu-hwan who stepped down yesterday at the end of his single 7-year term.

This is the first peaceful transfer of power in South Korea's constitutional history.

Although the new president promised to continue measures to consolidate his political foundations before and after today's oath as president, he still faces a series of political and economic difficulties.

The measures he took before assuming office include the reshuffling of some organizations belonging to the ruling Democratic Justice Party (DJP), revision of the DJP Constitution, meeting and discussing with opposition party leaders on parliamentary elections and national consultations, and amnesty for a number of political offenders.

After taking the oath of office today, he promised in his inaugural address that his administration "will open an area for democracy in which each citizen can reach his full potential."

Like the saying which goes "trying to put out a burning cartload of faggots with a cup of water", his measures and promises can hardly solve the host of problems on the political scene.

The thorny problem No faces after assuming power is how to remove political sequelae.

To date, the Democratic Reunification Party (DRP), the Peace for Democracy Party (PDP), and some students influenced by the two opposition parties still believe that the last December 16 presidential election was a fraud, although No was elected to the presidency by 36.6 percent of votes cast. The bloody suppression of the 1980 Kwangju uprising by the South Korean Army remains fresh in the memory of the people. Many students in Seoul, Kwangju, and elsewhere recently held rallies and demonstrations demanding that No be responsible for the Kwangju incident, and appealed to the people to boycott No's inauguration.

Southeast Asia & Pacific

Spokesman Rejects SRV Spratly Islands Warning *HK261027 Hong Kong AFP in English 1020 GMT* 26 Feb 88

[By Nina McPherson]

[Text] Beijing, Feb 26 (AFP)—China on Friday reaffirmed its sovereignty over the disputed Spratly Islands for the second time this week, ignoring a warning by Vietnam that it withdraw its troops from the South China Sea archipelago or face the consequences.

The reaction from a Foreign Ministry spokesman here followed the report in the Vietnam Communist Party newspaper, NHAN DAN, saying China had landed troops on two Vietnamese-claimed reefs and warned of disastrous consequences if they did not get out.

"Our reaction is very simple. A Foreign Ministry spokesman has stated China's consistent position in its statement on the 22nd of February," the spokesman said, referring to the earlier Chinese claim made Monday.

China, which Monday rejected Vietnamese criticism that it had illegally conducted survey and patrolling activities near the islands, claims "indisputable sovereignty" over the group of 500 islets and coral reefs in the South China Sea between the Philippines, Vietnam and Borneo.

Malaysia, the Philippines and the Nationalist Chinese Government in Taiwan also lay claim to some or all of the islands, which lie 1,500 kilometers (930 miles) south of the Chinese mainland.

China claims that Vietnam, which calls the Spratly Islands Truong Sa, illegally invaded the islands—which are suspected of hiding oil and gas riches—by sending about 200 troops to occupy them.

Western analysts say the verbal cross-fire between Hanoi and Beijing over the islands indicates mounting tension over other hot spots—namely the Sino-Vietnamese border and Vietnam's occupation of Cambodia.

Western diplomatic sources interpreted China's protests over the Spratlys as an attempt to pressure Vietnam to withdraw its troops from Cambodia.

China dispelled rumours of possible better relations with Vietnam in January when it accused Hanoi of continued attacks along the Sino-Vietnamese border.

Western analysts say the timing of the protests over the border issue followed a breakdown of peace talks between Prime Minister Hun Sen of the Vietnam-backed Phnom Penh regime and Cambodian resistance leader Prince Norodom Sihanouk.

Beijing and Hanoi have never exchanged shots over the Spratlys. But analysts say verbal barbs between them have been a reliable barometer of tensions between the two governments.

Western analysts noted that China provoked a condemnation from Vietnam in December after it announced that it had completed a month-long series of naval manoeuvres in the Pacific Ocean and South China Sea.

Observers recalled that Beijing has only used military force once in the area, when it invaded the Paracel Islands north of the Spratlys in 1974 when they were held by the old South Vietnamese regime.

But military experts say China cannot afford to maintain a permanent presence on the Spratlys.

They add that despite their strategic location—situated along sea lanes between the Pacific and Indian oceans, 400 kilometers (240 miles) southeast of Vietnam—the islands are unlikely to become the theatre of a serious military confrontation.

Sihanouk Denies 'Secret' Pact With Hun Sen *OW251902 Beijing XINHUA in English 1708 GMT* 25 Feb 88

["So-Called Sihanouk-Hun Sen Secret Agreement Refuted" — XINHUA headline]

[Text] Beijing, February 25 (XINHUA) — Samedech Norodom Sihanouk issued a statement here today, denying that he had signed a so-called secret agreement with Hun Sen.

The statement pointed out that the rumor was started by a handful of anti-Sihanouk elements in France.

The rumor said that according to the agreement Sihanouk would soon return to Phnom Penh to be "president of the People's Republic of Kampuchea", and receive payment in the U.S. dollar. [sentence as received]

Sihanouk said in the statement that "this is a shameless slander", adding that he had signed no open nor secret agreement with Hun Sen and demanded for the abolishing of the so-called People's Republic of Kampuchea concocted by Vietnam.

Sihanouk reiterated that he would not go back to Phnom Penh before his country becomes a 100 percent independent, neutral, peaceful and democratic state.

The statement said that in order to restore democracy in the country, Vietnam must withdraw all its troops from Kampuchea. The Kampuchean people should become the masters of their own destiny and be given the right to self-determination.

Thai-Lao Talks on 'Demarcation Line' Urged

Army Leaders Make 'Suggestion'

OW251250 Beijing XINHUA in English 0856 GMT
25 Feb 88

[Text] Vientiane, February 25 (XINHUA)—Military leaders of both Thailand and Laos have suggested that the two governments draw a clear demarcation line on their border to avoid further border disputes.

The suggestion was made here yesterday following two days of consultations on the border issue between General Sisavat Keobounphan, chief of staff of the Lao People's Army, and General Chawalit Yongchaiyut, acting supreme commander of the Armed Forces and commander-in-chief of the Royal Thai Army.

At a joint press conference held after the consultations, the two leaders said their troops will strictly observe the agreement on ceasefire and troop withdrawal reached by the two sides in Bangkok last week until the two governments draw a demarcation line on the border through negotiations.

They believed that the demarcation line should be drawn on the basis of the 1907 French-Siamese (currently Thailand) treaty.

Sisavat said confrontation should be avoided along the entire Lao-Thai border in order to maintain peace in the disputed areas and enable the people of the two countries to conduct friendly exchange and live together peacefully.

He told reporters that the two sides believed that the troops of the two countries should treasure their people's property and lives and become an important and constructive force for maintaining the friendly relations between Laos and Thailand.

Chawalit said that during the consultations, both sides tried to find ways to establish lasting peace between the two countries.

The two sides expressed their willingness to do their best to safeguard Thai-Lao friendship, he added.

Before the press conference, Chawalit and his party, who arrived here February 23 and left for home yesterday, was received by the Acting President of the Lao State Phoumi Phomvichit. During the meeting, Phoumi said, "the fraternal relations of friendship between Laos and Thailand should not be severed." He hoped the diplomatic talks between the two countries on demarcating the border will come soon.

Chawalit told Phoumi that Thailand and Laos should remain friendly with each other even if no good results can be achieved in political talks.

The disputed area between Laos and Thailand is mainly an 80-square-kilometer strip between Thailand's Phitsanulok Province and Laos' Sayaboury province.

Ministry-level Talks Proposed

OW260501 Beijing XINHUA in English 1639 GMT
25 Feb 88

[Text] Bangkok, February 25 (XINHUA)—Thai Prime Minister Prem Tinsulanon has extended an invitation to Kaysone Phomviharn, chairman of the Council of Ministers of Laos to send a delegation to negotiate with the Thai side in Bangkok to find a durable solution to the border conflict, the Thai Foreign Ministry announced here this evening.

The ministry's spokesman Sarot Chawanawirat told reporters that the invitation is contained in the Thai prime minister's message to Kaysone, which was signed on February 24 and handed over to the Laotian Foreign Ministry in Vientiane and to Laotian ambassador in Bangkok this morning.

The message noted that "the Royal Thai Government has accepted the recommendation of the Thai-Lao military delegations to begin political negotiations for the purpose of finding a peaceful and political solution to the boundary problem in the area based on international law and the provisions of the Franco-Siamese treaty of 1907 and relevant maps."

"The said negotiation would begin with talks between the ministers of foreign affairs of both countries, with a view to establishing the framework and format of an agreement," the message said. "From there, the next step would be negotiations between officials of both sides who would put forward their recommendations to their respective governments," it added.

The message said, "Alternatively, the negotiation could begin right away between officials of both sides."

Prem proposed that the meeting commence on February 29 in Bangkok. "The date of subsequent meetings shall be decided by both delegations."

"After both governments have given their approval, the Thai foreign minister shall be designated to sign the said agreement in Vientiane with the minister of foreign affairs of Laos," it added.

Thailand and Laos had been locked in fighting for the control of an 80-square kilometer strip between the Thai province of Phitsanulok and Xaignabouri Province of Laos since last November.

Fighting stopped following a cease-fire agreement reached in Bangkok on February 17 after 2 days of talks between military delegations of the 2 countries.

Under the agreement, troops of both countries pulled back 3 kilometers from the line of contact when the cease-fire materialized, and the 2 military delegations will recommend to their respective governments to begin political negotiation in earnest within 15 days of the commencement of the cease-fire.

Tianjin Mayor Hosts Outgoing Australian Envoy
SK250659 Tianjin City Service in Mandarin
2300 GMT 24 Feb 88

[Text] Li Ruihuan, mayor of the municipality, cordially met with Ross Garnaut, the outgoing Australian ambassador to China, at the Kaiyue Hotel at 1200 on 24 February.

Mayor Li Ruihuan expressed thanks to Ambassador Ross Garnaut for his efforts to promote the cooperation and contacts between Tianjin and Australia during his tenure of office.

Ambassador Ross Garnaut said he would make continuous efforts to promote mutual cooperation and friendship in the future.

After the meeting, Mayor Li Ruihuan hosted a banquet for the Ambassador and his party.

Ambassador Ross Garnaut also attended the opening ceremony of the Australian week film festival at the (Guangming) theater on the morning of 24 February.

Jiangsu Farmer's Joint Australian Venture
OW250901 Beijing XINHUA in English 0713 GMT
25 Feb 88

[Text] Nanjing, February 25 (XINHUA)—A farmer from East China's Jiangsu Province has just started a joint-venture farm in Australia with local landowners, today's "PEOPLE'S DAILY" reported.

Xu Fumin, a rural entrepreneur from Wuxi, plans to farm 4,000 hectares in Victoria, the paper said, adding the project cost Xu 745,000 U.S. dollars, which is 75 percent of the farm's total investment.

According to Xu, his farm will raise vegetables, fruit, livestock and fish, with some products to be shipped back to China.

Earlier Xu opened a Chinese restaurant in Melbourne's Chinatown jointly with a local overseas Chinese.

At present, Xu runs a fish farm in Wuxi, which lists fixed assets of 18 million yuan (4.9 Million U.S. dollars) and produces 1.75 million kilograms of freshwater fish a year.

Near East & South Asia

Hu Qili Meets Mauritian Delegation
OW251441 Beijing XINHUA in English 1312 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—Chinese leader Hu Qili met here today with a delegation from the Mauritian Militant Movement led by its General Secretary Paul Raymond Berenger.

Hu, Standing Committee member of the CPC Central Committee, said he was pleased with the development of contacts between the Chinese Communist Party and the Militant Movement, the Indian Ocean Island country's largest political party, since relations were established in 1984.

Berenger noted the two sides share similar views on many international issues.

"We are closely following China's reform that is of great importance to the whole world," he said.

Berenger, who arrived in Beijing on Tuesday, also held talks with Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Wu Xueqian Receives Nepalese Boundary Group
OW260434 Beijing XINHUA in English 0232 GMT
26 Feb 88

[Text] Beijing, February 26 (XINHUA)—Wu Xueqian, state councillor and minister of foreign affairs, met with a delegation from the Nepalese side of the China-Nepal Boundary Joint Inspection Committee here Thursday.

The delegation is led by committee's chief representative of the Nepalese side Arjun Bahadur Basnyat, senior survey advisor of the Ministry of Land Reform and Management.

The delegation arrived here February 23 to attend the First Session of the Second China-Nepal Boundary Joint Inspection Committee in accordance with a Sino-Nepalese agreement.

CPC Delegation Visits Sana'a on 7-Day Visit
OW260544 Beijing XINHUA in English 0249 GMT
26 Feb 88

[Text] Sana'a, February 25 (XINHUA)—A Chinese Communist Party delegation headed by Li Zhechi, member of the Chinese Communist Party Central Committee and secretary of the party committee of Gansu Province, arrived in Sana'a this evening on a seven-day official visit to Arab Yemen.

Upon arrival at the Sana'a Airport, Li Zhechi told the news agency of Arab Yemen that his visit aims at promoting the friendship and cooperation between

China and Arab Yemen. He also expressed high appreciation for President Ali Abdallah Salih's visit to China last December and praised the achievements made by the Arab Yemeni people in economic development.

The Chinese Communist Party delegation is due to hold talks with Arab Yemen's General People's Congress on ways of bolstering and developing bilateral relations.

Envoy Fetes Kuwaiti National Day, Notes Ties
OW260855 Beijing XINHUA in English 1104 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—Kuwait is looking forward to stronger Sino-Kuwaiti relations in the future, because the two countries have so many aims in common, said Hassan 'Ali al-Dabbagh, Kuwaiti ambassador to China here today.

Speaking at a reception he hosted today to mark the national day of the State of Kuwait, the Kuwaiti ambassador pointed out, both China and Kuwait aim for peace and stability in the world and take their economic development as the final and ultimate goal.

The ambassador held that the Sino-Kuwaiti relations are developing along a healthy and friendly road and noted that both sides have students studying in each other's country.

He said both sides have cooperated in the offshore oil undertaking near China's Hainan Island and many Chinese workers are now working at construction projects in Kuwait.

According to an official from the Chinese Ministry of Foreign Economic Relations and Trade, the bilateral trade ties have developed in recent years on the basis of equality and mutual benefit.

He said China exported some 100 million U.S. dollars worth of goods to Kuwait in 1987, 40.6 percent more over the 1986 figure. The export goods included light industrial products, cereals and edible oils and construction materials.

The Kuwaiti exported nearly 40 million U.S. dollars worth of goods, mainly chemical fertilizers to China, last year, nearly 70 percent more over that in 1986.

It was learned that an agreement on a loan for a polypropylene project in Luoyang, Henan Province, was signed between China and the Kuwait Fund for Arab Economic Development last March. Under the agreement, the fund would provide a loan for the project.

Last year, Qinhuangdao in Hebei Province established friendly ties with the City of Kuwait.

Present at today's reception were Chinese Minister of Urban and Rural Construction and Environment Protection Ye Rutang and foreign diplomatic envoys in Beijing.

Sub-Saharan Africa

RSA Anti-apartheid Measures 'Strongly Condemned'
OW251522 Beijing XINHUA in English 1433 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—The Chinese Foreign Ministry spokesman today strongly condemned the South African authorities' banning of any political activities by domestic anti-apartheid organizations.

Referring to the new state of emergency regulation announced by the South African authorities February 24, which banned 17 domestic anti-apartheid organizations and South African Trade Union Congress from conducting any political activities, the spokesman said in a statement "this is another crime committed by the South African authorities in suppressing the struggle of the South African people."

In recent years, the spokesman said, the South African authorities have stubbornly persisted in enforcing "the state of emergency law" to counter the struggle against apartheid by the black people. And now they have declared a new ban and strengthened their suppression measures. "This will only arouse stronger resistance by the South African people."

"The Chinese Government and people express their strong condemnation of and great indignation at the new crime by the South African authorities of suppressing the anti-apartheid struggle of the South African people," the spokesman said. "We will, as always, firmly support the South African people in their just struggle against racism [and] for racial equality."

Labor Service Protocol Signed with Zimbabwe
OW260601 Beijing XINHUA in English 1852 GMT
25 Feb 88

[Text] Harare, February 25 (XINHUA)—China and Zimbabwe signed here today a protocol on the provision on Chinese labour service to Zimbabwe.

The protocol will facilitate the recruitment and employment of skilled personnel from China in areas where Zimbabwe is experiencing shortage of manpower.

Chinese Ambassador to Zimbabwe Zheng Yaowen and Zimbabwean Deputy Minister of Labour, Manpower Planning and Social Services Herbert Mahlaba signed the protocol on behalf of their respective governments.

At the signing ceremony, Mr. Mahlaba said Zimbabwe was grateful to China for her assistance to Zimbabwe.

He said the assistance dated back to the days of the liberation struggle of Zimbabwe, when China offered material assistance and diplomatic support to the Zimbabwean freedom fighters.

Since Zimbabwe's independence, he added, the relationship between the two countries has been further consolidated by China's help in the construction of the Chitungwiza Garment Factory and the National Sports Stadium and in training Zimbabweans in China and sending Chinese medical personnel to Zimbabwe.

In reply, Ambassador Zheng said that the Chinese engineers and technicians who will come to Zimbabwe under the protocol will devote their efforts to training Zimbabweans with a view to helping the country build up its own technical force.

West Europe

Li Peng Meets San Marino Captains Regent
*OW252353 Beijing XINHUA in English 1245 GMT
25 Feb 88*

[Text] Beijing, February 25 (XINHUA)—Many unstable factors exist though the world situation has somewhat relaxed, said Chinese Acting Premier Li Peng here today.

At a meeting with the visiting captains regent (heads of state) Gian Franco Terenzi and Rossano Zafferani of the Republic of San Marino, Li said that all peace-loving forces and countries should contribute to the maintenance of world peace.

The San Marino leaders said that their country has always taken a positive attitude toward world peace and stability and has taken an active part in activities conducted by many international organizations.

During the meeting, Li expressed warm welcome to the guests on behalf of the Chinese Government and people. San Marino with a long history and strong points has many things for China to learn from, he said.

Both Terenzi and Zafferani expressed thanks for the Chinese Government and people's hospitality.

This morning, the guests toured the Great Wall.

In the afternoon, Zhao Nan, Chinese vice minister of foreign affairs, held talks with Alvaro Selya, secretary of state for internal affairs, and Piero Natalino Mularoni, secretary of state for labor and cooperation. The two sides exchanged views on international issues of common concern and the further development of the bilateral relations.

Loans Speed Up Telecommunications Construction
*HK250622 Beijing CHINA DAILY in English
25 Feb 88 p 2*

["Special to CHINA DAILY"]

[Text] China's Guangdong Province is speeding up the construction of telecommunication facilities with the aid of foreign funds.

The Norwegian Agency for International Development has agreed to grant soft loans valued at 12.15 million Norwegian kroner (\$1.9 million) for the establishment of a microwave radio system linking Guangzhou and Xinfengjiang City.

A contract has been signed between the Guangdong General Power Company and EB-Nera Company of Norway for the purchase of digital microwave equipment which will be installed in 17 microwave sections at power stations, transmission stations and dispatching rooms.

Last year, Norway extended 35 million Norwegian kroner (\$6 million) in loans for the establishment of a microwave system linking Shajiao and Jiangmen.

The Guangzhou-Xinfengjiang microwave channel is an extension of the Shajiao-Jiangmen system and will be the largest microwave communication system in Guangdong Province with an installed capacity of 1,300 mw.

The two key projects are expected to play an important role in the province's power construction and dispatch system.

A long-term co-operation agreement for the development of telecommunications has also been signed between Guangdong Province and Ericsson Telecom AB Company of Sweden.

The province will purchase from Sweden 210,000 lines of local switching, 4,900 lines of toll switching and related transmission equipment. The equipment will be installed in 12 cities in the province including Guangzhou, Zhanjiang, Nanhai, Maoming and Shantou.

The agreement involves \$37 million, which will be raised in the form of soft loans from the Agency for International Technical and Economic Co-operation (BITS).

Both parties have also agreed to establish four centres in Guangdong Province: a maintenance centre, a technical training centre, a repair centre and a centre supplying spare parts.

About 22.75 million Swedish kroner (\$3.8 million) will be needed for the construction of the projects. Most of the funds are expected to be provided by BITS and Ericsson.

Painter Awarded Belgian Medal in Beijing
OW260131 Beijing XINHUA in English 1434 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—Chinese painter and art educator Wu Zuoren was awarded here today the Belgian "Officer of the Order of the Crown" in recognition of his outstanding contributions to art and to Sino-Belgian cultural exchanges.

Belgian Ambassador to China Frans Baekelandt presented the medal and certificate to the 80-year-old painter on behalf of Belgian King Baudouin I at a ceremony at the Belgian Embassy.

Wu, chairman of the Chinese Artists Association, went to Belgium in the 1930s to study oil painting and won several prizes there for his work.

He and his wife Xiao Shufang, who is also a painter, visited Belgium in 1986 and held painting exhibitions and gave lectures.

France also has honored the distinguished painter. In 1985, the French Government gave him an award for art and literature.

It was learned today the couple will hold an exhibition in Hong Kong later this year.

East Europe

CSSR Envoy Marks 'February Victory' Anniversary
OW260059 Beijing XINHUA in English 1215 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—The 40th anniversary of the Czechoslovak "February Victory" was marked here this afternoon at a reception hosted by the Chinese People's Association of Friendship With Foreign Countries.

In February 1948, the Czechoslovak people smashed a counter-revolutionary coup plot under the leadership of the Czechoslovak Communist Party.

Czechoslovak Ambassador to China Zdenko Cheben attended the reception.

Deng Article To Urge Limiting CPC Role
HK261300 Hong Kong WEN WEI PO in Chinese
26 Feb 88 p 1

[Report by Liu Rui-shao (0491 6904 4801): "An Important Article Written by Deng Xiaoping in 1941 on the Relationship Between the Party and the Government Will be Published"]

[Text] Beijing, 26 Feb—An informed source has disclosed that the CPC Department concerned will publish an important article by Deng Xiaoping on the relationship between the party and the government. In the article, he opposes the idea of "administering the state by means of party leadership" and points out that the party can only make suggestions to the government and "absolutely does not have the right to overrule the government."

This article, written in 1941 under the title of the "Party and the Democratic Political Power Against Japanese Aggression," embodies Deng Xiaoping's idea on the relationship between the party and the government, which maintains that the party should not place itself above the government. The publication of this article also indicates that the CPC has been making constant efforts to straighten out the relationship between the party and the government.

The article points out: In the opinion of some comrades, "party power is above everything else" and "party members are above everyone else" and can meddle in government affairs as they like or arbitrarily change government decrees; they can transfer government cadres without formal procedure. In some localities, government decrees cannot be implemented at all without a notice from the party.

Another important point explained by this article is democratic politics and the party's role in the government. The article says: The party should guide and supervise the government and focus its responsibility on political principles instead of monopolizing and interfering in everything. The party only has the right to order party groups and party members in the government but does not have the right to overrule the government.

Zhao Said To Visit Hainan, Vietnam Border
HK260749 Hong Kong SOUTH CHINA MORNING
POST in English 26 Feb 88 pp 1, 2

[By David Chen]

[Text] The whereabouts over the Lunar New Year of Chinese Communist Party General-Secretary Mr Zhao Ziyang were shrouded in secrecy to camouflage his visit to the highly sensitive Sino-Vietnamese border, intelligence sources revealed yesterday.

And Chinese officials privately indicated that he might also have travelled to Hainan, the strategic island south of Hong Kong which will act as a military bastion for China's thousands of island possessions in the South China Sea.

Military analysts said Mr Zhao visited Fujian, Guangdong and Guangxi during the holidays in his capacity as the party chief and, more significantly, as the first vice-chairman of the party's Military Commission.

The trip was not reported officially by China's media—and Mr Zhao's absence from the public eye at a time when Chinese leaders traditionally adopt a high profile sparked speculation about his position.

Mr Zhao's presence in the south was disclosed, however, by Hong Kong left-wing newspapers as well as the SHENZHEN SEZ [Special Economic Zone] DAILY which said Mr Zhao had visited the two special economic zones of Shenzhen and Zhuhai.

Although there was no indication in the reports that Mr Zhao's trip had anything to do with military affairs, they disclosed that his party contained two leading military figures—General Yang Shangkun, the permanent vice-chairman and general-secretary of the Military Affairs Commission, and top leader Mr Deng Xiaoping's military troubleshooter, General Wang Zhen.

Analysts believe the generals were present to brief Mr Zhao on the military situation on China's southern flank and to boost his image among the southern forces.

Bilateral relations between China and Vietnam became strained over the new Year when China rejected a Vietnamese proposal for several border checkpoints to be opened during the festivities.

China had earlier accused Vietnam of shelling Chinese villages. Hanoi denied the allegations and claimed it was the Chinese side that had provoked the incidents.

At the same time, the Vietnamese Government reacted sharply to China's announcement of naval exercises in the South China Sea.

These events, together with the economic developments in the region, perhaps persuaded Mr Zhao to make the inspection tour and accounted for the silence maintained by the official media.

The last official reference to Mr Zhao was on February 11, two days before the start of the Lunar New year celebrations, when he was said to have sent flowers to the Panchen Lama on his 50th birthday. The Panchen is expected to fly to Lhasa in a few days for the Tibetan New Year celebrations before returning to Beijing for the National People's Congress.

The omission by the official media of reference to Mr Zhao over the holidays—countered by detailed reports of the movements of other senior leaders—was unprecedented and led to much speculation about a possible feud between the reformists and the more cautious planners on China's economic projects.

The speculation was further fuelled by a meeting of the State Council, held in the absence of reformist officers such as vice-premiers Mr Wan Li and Mr Tian Jiyun, two days ago. That meeting decreed that the purchasing power of group enterprises be reduced by one-fifth of last year's spending.

Mr Zhao has since returned to Beijing, according to a commentary yesterday in the Hong Kong newspaper WEN WEI PO.

The publication did not report Mr Zhao's return to Beijing as a news item but disclosed it in a commentary piece about Beijing affairs. Without directly explaining why the official media did not report his movements over the Lunar New Year, the newspaper only suggested that Mr Zhao had spoken of the speculation his absence had caused.

Zhao Suggests Shenzhen Self-Legislation
HK260132 Hong Kong TA KUNG PAO in Chinese
26 Feb 88 p 2

[“Special dispatch”: “Zhao Ziyang Proposes NPC Authorize Shenzhen To Legislate for Itself”]

[Text] Shenzhen, 25 Feb—Qin Wenjun, deputy secretary of the Shenzhen City CPC Committee, disclosed to a meeting of investigation and study personnel here today that CPC Central Committee General Secretary Zhou Ziyang said when discussing work in Shenzhen during his inspection here that the city's foreign trade structure and policy can be kept unchanged along the lines of the present scheme; in administrative structure, Shenzhen City can receive separate listing in the plans, and the city party committee and the Guangdong Provincial CPC Committee should jointly submit reports to the central authorities. He proposed that the NPC and State Council authorize the special zone government to have a certain degree of legislative powers.

Article Views Zhao, Other Leaders' Zhuhai Visit
HK260450 Hong Kong TA KUNG PAO in Chinese
26 Feb 88 p 2

[Article by Chu Wen (2612 2429): “Notes on Zhao Ziyang's Spring Festival Visit to Zhuhai”]

[Text] The Spring Festival of 1988 was far from ordinary for the people of Zhuhai City. Party and state leaders Zhao Ziyang, Yang Shangkun, Tian Jiyun, Wang Zhen, Yu Qiuli, and Zhu Xuefan came to the city to celebrate the Year of the Dragon with local party and government leaders and people of various sectors. Instead of taking a

good rest in Zhuhai, they inspected factories, enterprises, villages, islands, customs posts, and border defense units, and extended festive greetings to the grass-roots cadres and the worker-peasant-soldier masses.

Pay Attention to Protecting the Environment From Pollution [subhead]

At 1600 on 13 February, CPC Central Committee General Secretary Zhao Ziyang and State Council Vice Premier Tian Jiyun arrived in Zhuhai City. On their way to the place where they were staying, Zhao Ziyang watched the passing scene from the car window with great interest, and chatted with Liang Guangda, secretary of the Zhuhai City CPC Committee and mayor. Everyone said that Zhuhai had developed very rapidly and done very well in construction. This is indeed the case. Zhao Ziyang was extremely familiar with and appreciative of Zhuhai's beautiful setting and attractive climate. He said repeatedly that a very important condition for a good investment climate is to build Zhuhai into a natural place without any environmental pollution, and the agricultural, sideline, and fish products it exports should also be pollution-free; if you publicize this, people will come, and your products will be welcomed and will be competitive. Foreign friends attach great importance to this point. While developing industry, Zhuhai should also develop tourism. You must promote a good investment climate, prevent pollution, and protect the environment well. The whole country should preserve two or three places like Zhuhai, with beautiful environments and free of pollution.

Yang Shangkun Praises Great Changes in Zhuhai [subhead]

In the past few years, Zhao Ziyang, Yang Shangkun, Tian Jiyun, Wang Zhen, Yu Qiuli, and other central leaders have visited Zhuhai on many occasions and have very profound impressions of construction there. Zhao Ziyang said happily to Liang Guangda: The work in Zhuhai has been done well, industry has been organized quite well, and so has foreign exchange-earning agriculture!

Yang Shangkun said happily on seeing the investment climate: This place was just a mess when I first came here in 1979; changes had taken place when I came the second time, in 1984; and this time the changes are really tremendous. There could be no Zhuhai without reform and opening up. The achievements of reform and opening up are very great; the situation is excellent, and the situation in the special zones is still better.

Tian Jiyun said happily after his inspection that Zhuhai has done quite well; you should do your work well and build the special zone still better.

A Visit to a Fish-raising 10,000-yuan Household [subhead]

Zhuhai City has 145 islands and has the charming name of City of 100 Islands. Zhao Ziyang and Tian Jiyun were particularly concerned about construction on the islands. In the past Guishan Island had a widespread reputation as a trash heap, because the water was full of rubbish that had floated across from Hong Kong, and stunk to the heavens. The spring breeze of reform and opening up has blown away the "trash" and turned the island "green." The island has set up export-oriented processing industries and fishpens, making the poor island rich.

On the morning of lunar New Year's Eve, Zhao Ziyang embarked on a warship to visit the fishermen on the island. He was accompanied by provincial and city leaders Ling Botang and Liang Guangda.

Zhao Ziyang called at the home of Cai Zhimin, a fisherman who had returned from Hong Kong to live on Guishan.

Cai is a well-known fish-raiser on the island. He returned to Guishan from Hong Kong with his father in the early 1960's. In recent years he has rapidly embarked on the road of getting rich through fishpen technology, and last year the total income of his four-member household was over \$40,000 [Hong Kong dollars].

The general secretary made detailed inquiries about Cai Zhimin's family and living conditions, and asked him: "How many households on the island are enjoying a living standard like yours?" Old Cai replied: "About half the households here." The general secretary went on to ask: "What is the most difficult thing in your livelihood?" Old Cai said laughing: "You cannot find anyone here worried about what they will eat or wear. Every family on the island has at least 10,000!" The general secretary smiled with satisfaction on hearing this, and then asked old Cai: "Do you still want to go back to Hong Kong?" Old Cai said quite frankly: "I will go if the policy changes, otherwise I will not go. I am talking realistically!" Everyone laughed at this. Further Open Up and Develop the Islands [subhead]

On the question of developing the islands, General Secretary Zhao said that the question of the islands should be resolved, and it is necessary to open them up further, otherwise people's minds will be unsteady. How should they be opened up? It is not possible to set up customs posts on every one of Zhuhai's many islands; is it possible to organize a number of boats with supervisory groups, so as to open up the islands with their two ends extending outside and their goods not entering the interior? Maybe we could save trouble this way. This problem must be resolved. The general secretary suggested that Liang Guangda produce a specific scheme for the islands' development strategy. This should be studied and resolved at a conference on special zones and coastal cities soon to be convened by the State Council.

Foreigners Can Be Invited To Manage Enterprises [subhead]

The original foundation of the Zhuhai Special Economic Zone was rather poor; it has developed from a small border town. Its economy has registered sustained and steady development in recent years, and foreign businessmen are now coming in to invest.

Zhao Ziyang said: You should seize this good opportunity, import actively, extend your two ends outside, and promote large-scale import and export business, with the focus on exports. He also said: It is necessary to pay attention to this: It is not sufficient just to stress the cheapness of the labor force, it is also necessary to improve their qualities. Work efficiency must be high. You can invite people to run factories and enterprises, and you can also invite foreigners to manage them. In short, enterprises should be run in accordance with international convention, and reliance should be placed on improving work efficiency.

When Liang Guangda spoke about how certain enterprises in Zhuhai had transferred their management contracts to foreign businessmen, and how this management was in good order, Zhao Ziyang said happily that this is a good method; it is imperative for enterprises and factories to get a good grasp of management. He also pointed out: You must pay attention to cutting the purchasing power of social groups. There is no problem in halting public expense tours for a year or two. We will be able to do a lot of things if we can make these cuts, and our relations with the masses will be better.

During their stay, Zhao Ziyang and Tian Jiyun inspected the Baitenghu peasant holiday village in Doumen County, the Sanzao Bay land reclamation project, and Qianwu town at Doumen; Qianwu is a place visited by Zhao Ziyang more than 20 years ago. At that time, communications there were poor and even drinking water was hard to find. Very few people went there. This time he saw that very great changes have taken place there. He exclaimed: Now Qianwu town has good communications and the masses have drinking water.

When a responsible person of the county party committee told him that many people are now requesting to come and work in Doumen, Zhao Ziyang said: There have been great changes here; Doumen County seat has been built into a decent-looking town.

Circular Restricts Institutional Purchases
OW250511 Beijing XINHUA Domestic Service
in Chinese 1422 GMT 23 Feb 88

[Text] Beijing, 23 Feb (XINHUA)—The State Council issued an urgent circular today on strictly controlling institutional purchases and reducing spending. Full text of the circular follows:

All provincial, autonomous regional, and municipal people's governments, and ministries, commissions, and organs directly under the State Council:

In recent years, the State Council has repeatedly issued circulars on bringing institutional purchases under control and reducing spending. Except for a few units, few results have been achieved nationwide. Purchases have continued to grow in localities, departments, and units where prohibitions are not observed. Institutional purchases made in 1987 greatly exceeded the production growth rate of the same period, which, aside from abetting extravagance and waste, has aggravated the imbalance between supply and demand, imposed strains on markets, and increased the spending. Therefore, it is imperative to take effective measures to resolutely bring institutional purchases under control. To this end, the following circular is issued:

1. Party and government offices at all levels, people's organizations, PLA units, state- and collectively owned enterprises, and capital construction units throughout China must reduce purchasing quotas by 20 percent this year over actual purchases made last year. This requirement must be carried out at each level.

2. Party and government offices, people's organizations, PLA units, state- and collectively owned enterprises, and capital construction units must, in line with the above requirement, reexamine institutional purchases and limit them under the reduced quotas. Above-the-quota purchases, except for those that should be handled in accordance with the (87) Control Purchase No 10 Document issued by the national control departments, by administrative institutions responsible for their own finance, can only be made with the financial surplus or extra-budgetary funds, not with the fiscal budget, and shall be deducted from the next year's purchase quotas. In the case of enterprises, above-the-quota purchases should be made with their own funds and should not affect their production cost and other expenditure; if the purchases are included in the production cost and other expenditures, they should be added to the enterprises' income tax.

Group purchases by village and township enterprises, as well as neighborhood enterprises in cities, should also be brought under control. All localities should proceed from the reality in setting the target to limit purchases.

3. Party and government offices, people's organizations, PLA units, state- and collectively-owned enterprises, and capital construction units should stop purchases of the following 19 categories of special commodities under state control within this year: Cars, buses, motorcycles, sofas, carpets, sofa beds, air-conditioners, tape recorders, multipurpose recording equipment, video recorders, cameras and enlargers, large and high-grade musical instruments, furniture, woolen fabrics and their products, wool blankets, color television sets, refrigerators, washing machines, electric heating and water boiling equipment, and copy machines. Purchases of the above

items for direct use in production, business management, scientific research, teaching, health, and other special purposes should be reviewed and approved by organs controlling institutional purchases at each level.

4. Special commodities under state control should be supplied at designated points. People's governments at all levels should instruct departments concerned to designate, as soon as possible, stores and counters to handle such controlled commodities. Purchases of controlled commodities by all departments and units, which are approved by organs controlling institutional purchases, must be made at authorized stores. Sales of controlled commodities by unauthorized stores are prohibited, and profits from unauthorized sales shall be confiscated.

5. Prices and rules for purchases of cars and buses with permission shall be overhauled. The State Administration of Commodity Prices and the State Bureau of Supplies will set the price ceilings for different modes of cars and buses on sale in markets. Resale of cars for profit shall be punished by law. Government departments in charge of authorizing car purchases at all levels should organize relevant units to draw up new rules authorizing the purchases of cars. No unit is allowed to trade for a higher-grade car under any pretext. All central departments must abide by the provisions in the (1986) No 2 Document issued by the state in distributing cars to subordinate units. Using public funds to purchase a car licensed for personal use shall be strictly prohibited. Leaders of institutions shall be held responsible for the violation, in addition to having the car confiscated.

6. Renovating and expanding any of the existing buildings, including offices, conference rooms, reception rooms, and residential quarters, this year will not be permitted; so will purchase and installation of additional air-conditioners.

7. It is necessary to step up supervision over labor protection equipment, which should be issued in line with the scope and regulations set by labor departments and be purchased at designated stores. "Fringe" benefits under the guise of labor protection are not permitted, such as palming off woolen and down clothes and windbreakers where not essential. Labor departments should examine and work out new rules and regulations for issuing labor protection equipment according to actual needs and in the spirit of frugality.

Rules for wearing uniforms where designated by the state should be observed, and the scope should not be expanded nor reduced. Violation shall be severely dealt with.

8. Using public funds to purchase goods or in kind, or issuing purchase coupons to staff and workers is strictly forbidden; as is the issuance of institutional purchase

coupons by commerce administration. From now on, no units and departments are allowed to present gifts to relevant authorities or individuals in the name of advertisement.

9. It is necessary to resolutely cut down the number of meetings, shorten their length, and reduce the number of participants. Nonprofessional forums and symposiums will be suspended for 12 months. Sightseeing at public expense in the name of attending meetings is prohibited. Study tours by veteran cadres will be suspended this year, and be reviewed from next year.

10. It is necessary to make good use of supplies in stock by conducting inventory and repairing and utilizing old or discarded things. In order to cut down spending, additional purchases of desks, chairs, benches, and other office furniture and equipment are not permitted.

11. All State Council departments and provincial, autonomous regional, and municipal people's governments must strengthen the leadership over the control of institutional purchases. Local governments at all levels should tighten up control and strive to fulfill purchasing quotas. It is necessary to coordinate the efforts between organs controlling institutional purchases at all levels and banking, commerce, material supply, and vehicle control departments, and make sure that they each do their job well in order to jointly ensure the success of the work. Auditing, supervision, and finance departments must strengthen inspection and duly handle violation in accordance with the "provisional regulations of the State Council on punishment for violation of financial laws and statutes" and other relevant regulations.

12. This circular takes precedence over any regulations previously issued by the State Council and other relevant departments when the latter contravenes the former.

Media Handling of Famed Factory Manager Viewed
HK251502 Hong Kong TA KUNG PAO in English
25 Feb-2 Mar 88 p 2

[From "The Past Week" column: 'The Case of Bu Xinsheng, A Fallen Hero']

[Text] His fall to shame was as astounding as his rise to fame—four years ago. When news of the dismissal of Bu Xinsheng was splashed across the headlines of the PEOPLE'S DAILY on 16 January, it marked not only the end of a model factory director who lost his job, but the fall of a national hero.

For Bu certainly did make management history at the outset of China's ambitious effort to radically reform the country's industrial leviathan, bogged down by inefficiency and waste in both human and material resources. 55 years of age, Bu had established his stardom in 1983, when he was appointed plant director and deputy party secretary of a garment workshop in a small-time town in

coastal Zhejiang Province. Thanks to his brilliant leadership, the floundering Haiyan General Shirt Factory earned a profit of US\$420,000 in the same year, 100 times the 1979 figure. The secrets of Bu's success were strict work discipline, material incentives, insistence on a manager's right to hire and fire, and painstakingly surveying market trends, a rare entrepreneurial quality in the epoch-making early 80s.

Hence Bu became in great demand at seminars and political meetings, including those held in Beijing. He made regular television appearances, lectured on everything from art theory to military science, and wrote a book. A miniseries about him was carried in the network of Central Television in Beijing. Haiyan, meanwhile, became a show-case and an obligatory stop for visiting dignitaries. Relishing the praise lavished on him from the media and all and sundry, Bu even had ideas of opening shop in Shanghai and then in Hong Kong and the U.S.

His downfall came when it was found that, by November 1987, Haiyan was actually on the brink of bankruptcy. It had incurred debts of U.S.\$2.68 million against fixed assets of 2.7 million. After losing his job as plant director, Bu has been asked to work in the township's office of light industry. But the enterprising tailor doesn't seem keen on the prospect of office routines.

'When I have thought everything out, I shall make a fresh start and go back to the enterprise,' he told a reporter of the PEOPLE'S DAILY recently.

It is no secret that Bu was very much in the grace of Hu Yaobang before the latter lost his job as CCP general secretary. Considering the intricate nature of Chinese politics, no doubt this also had some effect on Bu's specular rise and fall.

However, in the absence of fuller information on backstage politics, what interests us for the moment is the Chinese media's coverage of Bu's 'demise'. It can be seen from these reports that the views of Chinese reporters on Bu's recent fall are manifestly divergent. Also discernable is that public sentiments in regard to Bu's case have tended to change from dismay to sympathy. Certain fundamental issues much larger than simply one man's fate are involved in the published reflections and discussions. This development in particular should provide impetus to current efforts to create an atmosphere congenial to frank exchange of views, or democratic dialogue, as a current buzz phrase would have it.

The earliest news story published in the PEOPLE'S DAILY to give Bu a thrashing was by two XINHUA reporters, Mr Chen Janfa and Mr Tong Baogeng. It relates that the Haiyan General Shirt Factory held an extravagant sales fair to mark its founding anniversary in November 1986 to which many prominent figures and celebrities were invited. 'But thoroughly immersed in the

celebrations, Bu did not take advantage of the opportunity to promote sales. He paid no attention to his old customers as well as new ones who had come for his name's sake. As a result, the factory's orders dropped sharply.'

Bu was also castigated for his refusal to listen to 'wise counsel and criticism'. A third charge was his reluctance to attend a one-year management course at Zhejiang University, an arrangement made by the provincial authorities. He not only played truant but used a special car on days he did attend class which did not add up to a month. Press reports on Bu were in the main factual, Chen and Tong's article says, although it admits that there were some cover-ups after Haiyan had begun to falter. It also blamed the Zhejiang authorities for upgrading the capacity of the machinery Haiyan was to import to 300,000 Western suits a year when all that Bu wanted was a much smaller one of 80,000 suits a year.

But the main thrust of this article was directed at Bu's errors, and there seems little doubt that he is a headstrong and very obstinate man. Another of his weaknesses is obviously the fact that he has had only six years of formal education.

Quite a different approach, however, was adopted by an article carried in the PEOPLE'S DAILY of 29 January. Quoting a factory director, the author Mr Gao Haihao laments that 'as things stand, it is highly doubtful that a factory director or manager can act as an independent legal person because there are so many problems over which he can neither assume responsibility nor control'.

It goes on to say that if Bu had not imported the 300,000 suit machinery, if he had not been cheated by a fly-by-night company, if the construction of one of his vital plants had not been unduly delayed, if there had not been the sudden change in market trends in 1985 and 1986 period, or if there had not been the unbridled expansion in nonproductive spending and capital formation on a nation-wide scale during the same period... 'The absence of any one of these ifs might have saved Bu.'

A reporter of the PEOPLE'S DAILY, Gao found that by now, instead of talking endlessly about Bu's 'bad points', the people in Haiyan Town apparently speak very kindly about the former director Bu. To his dismay, Gao also found that the town's inhabitants simply abhorred newspapermen.

'Bu was never the perfect man the press had made him out to be, nor is he as bad as the newspapers say he is now,' he was told.

Born from the womb of a small peasant economy, Bu was a victim of the clash between the old and new socioeconomic systems and 'the press has been both his midwife and gravedigger!'

Strong words! But shouldn't they be food for thought for the Chinese media? After all, the soul of any news report is facts; no matter for what purpose they are expected to serve.

Writer Liu Binyan Undaunted by Setbacks
HK251500 Hong Kong TA KUNG PAO in English
25 Feb-2 Mar 88 p 3

[From Zhang Shaowei in Beijing]

[Text] Although his incisive reportage has given rise to much controversy, including his expulsion from the Communist Party, journalist-writer Liu Binyan intends to double his literary output in the Year of the Dragon.

When asked to give an impromptu speech at a gathering of writers and readers in Beijing a fortnight ago, Liu apologized that he had not turned out as many short stories and reportage as he would like to since 1979.

He wrote only 100,000-200,000 words a year, he said, but the material he has collected is enough for an annual output of 300,000 words.

He disclosed that he would use the material this and next year, although he wasn't sure if he could find a publisher.

Liu's speech was warmly applauded. Devoted to reportage writing, the meeting was sponsored by the Chinese Writers' Association, of which Liu is still a vice-chairman, and four influential literary journals.

Liu, 63, is best known for his realistic novellettes "Between Man and Demon," and "Merits and Crimes over One Thousand Years" and "Second Loyalty," all of which have been translated into English.

He was expelled from the Chinese Communist Party in January 1987 at the start of the anti-bourgeois liberalization exercise.

At the meeting, Liu also said that it would be impossible for him to defend the authenticity of his works in a few words. However, he will write a long article to explain his position.

RENMIN RIBAO on Zhou's 'Glorious Image'
HK230610 Beijing RENMIN RIBAO in Chinese
12 Feb 88 pp 1-3

[Article by "some staff members who worked by Premier Zhou's side"—(Footnote 1: "These people include: He Qian (0149 6197), Cheng Yuangong (2052 0337 0501), Mao Chongheng (3029 1504 2897), Zhang Wenjian (1728 2429 0256), Zhang Shuying (1728 2885 6601), Gao Zhenpu (7559 2182 2528), Qiao Jinwang (0829 6855 2489), Bian Zhiqiang (0593 1807 1730), Zhang Zuoliang (1728 0146 5328), Zheng Shuyun (6774 3219 5366), Zhao Xingjie (6392 5887 2638), Han Fuyu (7281 4395 5940), Jiang Guichun (1203 6311 2504), and Yang Jinming (2799 6855 6900), who were participants in a forum.")—The article was prepared by Zhang Wenjian and Liu Haiqin (0491 3189 0530): "Study and Inherit the Precious Spiritual Wealth Premier Zhou Left Us"]

[Text] The fifth of March this year is the 90th birthday of

Premier Zhou Enlai. Those of us who worked by his side for over a dozen years, or even up to 20 years, as guards, medical and nursing officers, and administrative officers gathered to recall those memorable days when we worked by his side; to refresh our memory of the noble character of this man, who was strict with himself, worked selflessly for the public interest, worked hard day and night, and wholeheartedly served the people, in order to learn from his firm communist faith, his indomitable revolutionary resolve, his splendid style, which was characterized by his readiness to mix with the people and seek truth from facts, his devotion, and his spirit of "exerting himself to the utmost until his death;" and to extol his great contributions to the founding and protection of New China and to the building of socialism. Today, under the new situation brought about by our reforms and our pursuit of the opening-up policy, we commemorate him not only to give vent to our feelings, but also to learn from and inherit the spiritual wealth he left us.

Democratic Consultation and the Drawing Up of a Blueprint [subhead]

When we went to Beijing from Xibaipo with Comrade Zhou Enlai, like "country folks on a trip to the big city," we had little knowledge of cities, did not know even a single democratic personage, were ignorant of diplomatic etiquette, and had no idea of how to properly go about the business of being guards in a big city. Although he was preoccupied with political affairs and activities, he taught us, by words and his own example, to gradually adapt ourselves to the new circumstances and to work. We can still remember that shortly after we entered the city, he energetically made preparations for the founding of New China, in accordance with the decisions made at the Second Plenary Session of the Seventh CPC Central Committee. In the meantime, the War of Liberation was developing rapidly—Hankou, Nanjing, Shanghai, and other key cities were liberated one after another, and the major units of the KMT Army were wiped out. Conditions were thus ripe for convening a new political consultative conference and for the establishment of a central people's government. During the 3 months after June 1949, he did a lot of organizational and ideological work to prepare for the new political consultative conference. Sometimes he worked with undivided attention for several days and nights on end at Qinzheng Palace in Zhongnanhai to prepare a draft of the common program in accordance with the theory of the people's democratic dictatorship. After the completion of the first draft, he patiently discussed it with people not affiliated with the party at seven meetings in order to hear the reasonable opinions of people from various quarters and to perfect the draft common program. Thanks to his work, the program was finally unanimously adopted at the political consultative conference, and it became New China's program for national reconstruction and administration and played the role of a provisional constitution. In drafting the common program and in discussing it with people, Comrade Zhou Enlai set a shining example of

exercising party leadership through democratic consultation for the party. He said: The principle of democratic consultation gives expression to the democratic spirit of proletarian leadership. This consultative spirit is not expressed by vote, and it exists independently of the question of whether there is a majority or minority. It is mainly manifested in consensus reached through advance consultation and repeated discussion. In addition, he also discussed, on behalf of the CPC Central Committee, with people from various quarters the list representatives to the political consultative conference. Since he had been in charge of the party's united front work for a long time, he knew the representatives from various quarters. In addition, thanks to a thorough investigation and repeated discussions, a wide spectrum of people were represented at the political consultative conference, and the great unity between various nationalities was thus embodied. The practice of discussing lists of representatives was later adopted by various political consultative conferences and people's congresses. On the morning of 1 October 1949, the First Plenary Meeting of the Central People's Government Council appointed Comrade Zhou Enlai premier of the Central Government's State Administrative Council. From that day forward, Comrade Zhou Enlai was cordially called Premier Zhou or Premier. At the founding ceremony that afternoon, on the rostrum of Tian An Men, Chairman Mao Zedong solemnly announced to the world: The Central People's Government of the People's Republic of China is officially established today! At that moment we saw Premier Zhou. Standing by Chairman Mao, he gazed with deep feelings at the cheering crowd of 300,000 people on the square. That was the birth of the People's Republic of China, for which the Chinese people had been fighting for over a century. The Chinese people, who made up one-quarter of the world's total population, were at last on their feet. However, that was only the first step of a 10,000-li long march. The arduous, great historical mission of building the motherland had yet to be fulfilled. On the urgent problem of staffing government organs, Premier Zhou was circumspect and far-sighted. He tried his best to recruit talented people and make careful arrangements for leaders of the democratic parties, social leaders, and social celebrities, thus making the country's political power fundamentally different from that of bourgeois republics and also different from that of the Soviet Union and the socialist countries in Eastern Europe. The country is a socialist republic under its people's democratic dictatorship. After consulting the democratic parties and reaching a consensus with them, we made the following decision: Of the four vice premiers of the State Administrative Council, two shall be democratic personages; of the 21 administrative councillors, 11 shall be democratic personages; and of the 93 responsible persons of various ministries and commissions, 42 shall be democratic personages. People praised Premier Zhou for his careful arrangements, saying that he was really a "Zhou" [thoughtful] premier! Zhu De, Dong Biwu, and some other elder cadres of the party also praised him, saying: "Comrade Enlai has always run the house well."

Since September 1950, Premier Zhou had mainly concentrated his energy on the struggle to resist U.S. aggression and aid Korea. On 30 September, when the U.S. force took Seoul and thus became capable of attacking the Korean People's Army from both its front and rear, Premier Zhou issued on behalf of the Chinese Government a solemn statement, saying that "China would not look on with arms folded." On 19 October, after taking Pyongyang, the U.S. and puppet forces mounted an all-out offensive along the Sino-Korean border. The situation in Korea was grim. Even northeast China was seriously threatened. After studying the situation over and over again, the Central Committee and the Political Bureau decided to organize the Chinese People's Volunteers and to make Peng Dehuai its commander. These volunteers went to Korea to participate in the great struggle to resist the U.S. aggression, aid Korea, and protect their homeland. As vice chairman of the Military Commission and premier, Comrade Zhou Enlai valiantly accepted the formidable task of helping Chairman Mao organize and direct this war. He personally attended to almost everything, from the organization of the Chinese People's Volunteers to their equipment, from the replenishment and reinforcement of their units to war production, and from transportation and communications to logistical support. Making plans and devising strategies caused him to have many sleepless nights. He frequently visited the headquarters of the Military Commission and various command organs to listen to reports and to keep abreast of the situation on the battlefield. He knew the conditions of our Army and those of the enemy like the back of his hand. He even had a very clear idea of the villages, towns, heights, rivers, islands, and railroad junctions in the war zone. He drafted operation telegrams on behalf of the Central Military Commission and issued timely instructions on the principles by which the volunteers fought several battles in the course of the War To Resist U.S. Aggression and Aid Korea. What is most unforgettable is that in January 1951, the Northeast China Military Region held a logistics conference to study the volunteers' logistic problems. In spite of his full itinerary, he made a special trip to Shenyang to attend this conference. On the basis of reports prepared by fighting units, he decided to replace the broad-brim hat with the liberation cap and pullover sweaters with cardigans and to use the more durable quilted padded jackets. The purpose of all this was to facilitate air defense, make it easier for fighters to climb hills and march through dense woods, and make the application of first-aid to the wounded easier. He also personally attended to such things as the maintenance and protection of railroads, roads, junctions, and lines of communication. He ordered the building of "air-defense posts" along supply lines, the reinforcement of the volunteers with trucks, drivers, and maintenance crews transferred from local units, and the building of an indestructible supply line, thus ensuring that there was an adequate supply of goods and materials to the front. In accordance with the Central Committee's principle that financial and economic work should be subordinate to war needs and that resistance, stabilization, and

building efforts should be made simultaneously, he inspired people throughout the country to volunteer to join the Army, increase production, practice economy, try to outdo one another in their work, and launch a massive drive to cheer and salute the volunteers and the Korean People's Army, thus enhancing the people's national self-respect and patriotic sense of responsibility, stimulating the restoration and development of industrial and agricultural production, and ensuring, by providing adequate material resources and manpower, that the War To Resist U.S. Aggression and Aid Korea would be a victory. As a result of the Chinese and Korean people's joint struggle, in July 1951, the United States was forced to agree to hold cease-fire talks. The two sides subsequently experienced a stalemate for 2 years and 1 month. He personally oversaw the war situation and the progress of the talks. He drafted telegrams to our representative to the talks almost every night. Sometimes he made telephone calls to inquire about the situation, in order to issue timely instructions. Thanks to our correct strategies of fighting and holding talks at the same time, combining fighting with talks, attaching primary importance to fighting, and creating conditions for talks by fighting, we shattered the United States' dreams of winning a victory by force and of making the talks their victory. With our victory on the battlefield, we were able to ensure Korea's independence and our security and dispel the myth that the U.S. imperialists are invincible, thus contributing much to upholding world peace and peace in the Far East, boosting the confidence of the people of the world in opposing aggression and upholding peace, and exerting profound and far-reaching influence on the development of the international situation.

After our victory in the War To Resist U.S. Aggression and Aid Korea had become a concrete fact, Premier Zhou and Comrade Chen Yun were put in charge of the formulation of the First 5-Year Plan For National Economic Development. In the fall of 1952, he spent a good deal of time with the responsible comrades of the State Planning Commission and the relevant departments to revise and enrich it over and over again. Under the special historical circumstances of that time, he adhered to the principle of carrying out industrialization with heavy industry as its focal point, took note of the proportionate relations between various departments of the national economy, and paid special attention to balancing the finances, the supply of goods and materials, and credit and loans, without leaving any gaps. He worked very carefully. Some statistical mistakes were discovered and corrected by him. The "First 5-Year Plan" was based on Soviet experience in construction. However, we did not decide on it until we had thoroughly studied the country's circumstances at that time and discussed and examined it over and over again. Its main features were 156 construction projects, and it was fulfilled 1 year ahead of schedule. This successful 5-year plan laid the first foundation for the industrialization of the country and represented the first and a very valuable step in our exploration along the correct path toward building socialism in China. In the summer of 1956,

Premier Zhou was busy formulating the Second 5-Year Plan. He regularly discussed problems with comrades in the Planning Commission. The premier often spoke to them at night and then the comrades in the Planning Commission would make calculations, correct and revise things, and present a revised draft to the premier for approval the next evening. He worked like that for over a month. Sometimes, in the still of the night, we asked the premier to go into the garden for a stroll. However, he went back to work very soon. The first draft was not finalized until the premier had thoroughly examined every figure and aspect of it. After it was examined by the central authorities and the State Council, Premier Zhou's proposed Second 5-Year Plan was unanimously approved at the "Eighth CPC National Congress." This plan correctly stipulated that after the basic completion of the socialist transformation of private ownership of the means of production, the main responsibility of the party and the state should be to "proceed from the liberation of the productive forces to protecting and developing them." In addition, it also stipulated that China's form of socialism should be based on public ownership of the means of production; that the country should, on the basis of the principle of extensive uniformity plus a little freedom, and extensive centralization plus a little decentralization, establish and perfect a system under which the state-owned sector of the economy plays a dominant role, various economic components coexist, and direct planning is combined with indirect planning; and that the country's socialist economic construction principle stress both heavy industry and the people's livelihood, call for an overall balance and steady development, and be both positive and reliable. Although the "Proposal on the Second 5-Year Plan" was only a short proposal, Premier Zhou prepared it after weighing everything, summing up ideas from various quarters, and working his heart out. The implementation of the "Second 5-Year Plan" was later disrupted by the Great Leap Forward movement. However, the idea of doing things on the basis of the country's national conditions, paying close attention to doing things in order of importance, making the scale of construction commensurate with the national strength, rationally regulating the pace of construction, and making the development of the national economy proportionate and well planned, which guided him in the course of the formulation of the First and Second 5-Year Plans, as well as the energy he expended and the wisdom, competence, boldness, and farsightedness he displayed in formulating, examining, and revising the plan combined to form a spiritual wealth that is indispensable to the party and the state in developing the country's national economy.

His Noble Character and Unforgettable Teachings [subhead]

Since the founding of the country, Premier Zhou lived and worked with Comrade Deng Yingchao at Xihuating, an old-fashioned bungalow, in Zhongnanhai. The organization sent us there to be guards and to serve. Having

worked there for a long time, we share the feeling that working by the side of Premier Zhou and Sister Deng was like living with a big revolutionary family—one always felt the warmth radiating from the party and its noble, revolutionary affections. The months and years we spent with Premier Zhou, following him and listening to his teachings day and night, were memorable. Never before had we received so much education or help than during that time. Well known to both Chinese and foreigners as a great, powerful man, Comrade Zhou Enlai was quick-witted, energetic, learned, and very experienced. He shouldered heavy party responsibilities and was also required to attend to routine state affairs. When we first worked by his side, we felt nervous, regarded him with both respect and awe, and feared that we might not be able to satisfactorily perform our duties. However, we were convinced in due course that he fully trusted us and regarded us as his equals. In addition, he regarded our work as indispensable to his doing the party's and the state's leadership work properly. Whenever we made mistakes, he patiently taught us and told us to have high standards. He also let us take turns studying at the Institute of Public Security. In addition, he wanted us to organize ourselves to study current affairs and theories when the central authorities held meetings. He insisted on this until the beginning of the "Cultural Revolution." Whenever we had difficulties in our work or in daily life, Sister Deng always tried to help us solve them. Working at Xihuating gave us both confidence and strength. We found it meaningful and thought that it was happiness and an honor for us that would remain for the rest of our lives. Working at Xihuating was like studying at a university. We were kept busy, there was much to experience, we received training in many fields, and we had the opportunity to learn a lot. Premier Zhou and Sister Deng taught us by both precept and example, and we were greatly influenced by them. All this has helped us greatly in handling both interpersonal and business matters.

When we were working by the side of Premier Zhou, we were most deeply impressed by his noble character, the noble character of one who wholeheartedly served the people. Since the founding of New China, our party has become the ruling party. However, Premier Zhou was always concerned about the people's sufferings, and he maintained his ties with the people, which were forged with blood during the war years. Whenever natural calamities occurred, such as when Huang He overflowed near Zhengzhou, Tianjin's Hai He caused a flood, and Xingtai was hit by an earthquake, he would personally visit the affected areas to evaluate the situation, organize rescue and relief work, and see to it that the people in the affected areas would be properly provided for. We still remember that on the second day after Xingtai was hit by an earthquake, in total disregard of the frequent aftershocks, he rushed, with a heavy heart, to the affected areas to visit the people there. At that time there was a chill in the air, for it was early spring. Winds were blowing hard from the northwest, whipping up sand and pebbles. Seeing that several thousand people were sitting

against the wind waiting for him to speak, he immediately said to the secretary of the county party committee: "With such a sandstorm, how can we let the peasants sit facing the wind? Tell me whether a single individual or a crowd of several thousand should be more properly looked after?" He continued in a solemn tone: "I have come as the state premier to visit the people. However, I am also a communist. How can a communist let the masses suffer before he does?" He then personally told the masses to turn around to face south and walked over to where he could directly face them. He mounted a box and addressed the masses as the sandstorm whipped against him. When the premier called on people in the affected areas to "work hard to develop production and rebuild their homes through self-reliance," the people were moved to tears. Together they repeated loudly whatever the premier said. When the Premier said that if a certain place was hit by a natural calamity, people from every corner would always rush to its people's aid and that as soon as they had resumed production and rebuilt their homes, he would revisit the place, the people immediately rose to their feet and shouted slogans, which were indistinguishable in the uproar. We all personally witnessed this moving scene when people saw that their hearts were linked to the premier's. After returning to Beijing, he asked Comrade Li Siguang and the responsible persons of the relevant departments to study ways to improve earthquake forecasting in order to reduce the losses caused by earthquakes. We remember that shortly after the establishment of people's communes, it was reported that commune members' villages had been built in some parts of Hebei. Premier Zhou personally went to Hebei's villages of Dingxian, Anguo, and Xushui to see things for himself. He discovered that in those villages, the buildings and houses did not have heatable brick beds and so the peasants could not sleep well. In addition, he also found that the houses were choked with smoke when they prepared their meals and that they had to run up and down the stairs when they wanted to get water, feed their pigs, or collect manure. He immediately said to the provincial, prefectural, and country leaders who were with him: It is necessary to be careful and to consult the masses whenever we try to change old living habits formed in the rural areas of northeast China over the past millennium. Even during the "Cultural Revolution," he was mindful of living conditions in the "old, minority, and border" areas. (Footnote 2: "Old, minority, and border" areas refer to old revolutionary bases, areas inhabited by minority nationalities, and border areas) In the Spring of 1970, a child of one of our colleagues returned to Beijing from a production team in northern Shaanxi to visit his family. From chatting with him, the premier learned that the people in northern Shaanxi were still living in straitened circumstances, which made him feel bad and shed tears. Therefore, he called a meeting of the responsible comrades of the relevant central departments, Beijing Municipality, Shaanxi Province, and Yanan Prefecture to study ways to help the old revolutionary bases develop agricultural production and the five small industrial enterprises and improve living conditions. In June 1973,

when he took some foreign guests to visit Yanan, which he had not visited for 26 years, he found that the people there were still living in straitened circumstances. He called a meeting of the responsible party, government, and military cadres that night, after the guests had retired, to study the problem. Before the meeting was adjourned, the comrades attending the meeting asked the premier to return to Yanan. The premier said: I am willing to come again. However, I will come only on the following three conditions: First, you should promote unity and try to make production a success. If you can double the grain output in 5 years, I will come. Second, I will come if I am still alive (he knew that he had cancer). And third, I will come if I do not make any mistakes. In almost no time at all, the place was filled with silence. Looking at the emaciated premier and his tear-filled eyes, the participants of the meeting were simply too heartbroken to say anything. Premier Zhou never made it back to northern Shaanxi because he died of illness less than 3 years later. Sister Deng, however, always remembers his feelings toward the people living in the old revolutionary bases. After the "Selected Works of Zhou Enlai" was published, she received 20,000 yuan as author's remuneration. Sister Deng has repeatedly indicated that since Comrade Enlai always waived his author's remuneration when he was alive, we should not do in his absence anything that he would not like us to do and that money from the people should be returned to the people. She decided to comply with Comrade Enlai's wish by giving the 20,000 yuan to the people of Yanan. Premier Zhou said repeatedly that he was the premier of the government, a member of the Communist Party, and an ordinary laborer. Once he told us earnestly: "Those of you who work here should know that whatever you do, you do for me, and whatever you do for me, you do for the people." On a certain evening shortly after the Liberation, Comrade Chen Yun told the premier that the neon lights at Wangfujing shopping center were all switched on. The premier then told us to go with him to have a look and satisfy his curiosity. But when we arrived, its management told people to leave through its public address system. The premier sternly criticized this practice, asking: Why should we try to separate a leader from the masses? On that evening he went only as an ordinary shopper. He simply wanted to have a chance to browse or buy something, like anyone else. He chatted with the manager and elderly workers about how business was going. Another time, it came to his attention that whenever a meeting was being held in the Great Hall of the People, the drivers and the policemen always had difficulty finding a restroom. He then had a basement beneath the eastern entrance to the hall rebuilt into a lounge with toilets. He was always busy and valued his time, but whenever his driver drove too quickly, the premier would always remind his driver to slow down a bit and be considerate of other people. In crowds, the premier never allowed his driver to blow the horn too hard, for fear of startling people. Whenever it rained, the premier would tell his driver to avoid splattering water on people. We very often witnessed how he treated the masses as the masters of the country and himself as their

servant! He kept telling us that communist cadres should be servants of the public, not lords sitting on other people's heads, and that we should never divorce ourselves from the masses.

Our premier managed affairs for millions upon millions of people. He knew only too well that it is not easy to build a country and to start an undertaking. Although the difficult war years were now over and economic conditions had improved, he still worked hard and led a plain life. After we went to Beijing, some departments did not practice economy and built many halls, centers, and facilities. He often criticized them and unambiguously indicated that as long as he was premier, he would never permit the construction of an office building for the administrative council or extensive renovation of his house at Xihuating. He and Sister Deng used to eat some coarse food each week. When he was making inspection tours, he ate whatever the masses ate. He worked selflessly for the public interest and never let his personal considerations interfere with his official business. According to a State Council regulation, whenever someone uses a car for private business, he is required to pay for the gas himself. He set an example by strictly observing this regulation. He regarded calls on bedridden friends, going to the movies, and visits to the barber as "personal business" and told his driver to keep track of the mileage so that he could pay for the gas used. Sometimes, the premier invited social celebrities, actors, athletes, and old comrades-in-arm to dinner parties at his home. However, he never did so at public expense. He paid for the tea he drank during meetings as well as these dinners at night. We told him that he could be reimbursed for these dinners, but he said that his case was different and that he should pay because he would have to pay for the food he ate at home anyway. He kept telling us that he had to observe state regulations and that his status as premier did not exempt him from strictly observing them. He sometimes even checked to make sure that his rent, water and electricity bills, and medicines were charged to his personal account. The premier lived in elegant style and had a wide range of interests. He loved poetry, music, dancing, and dramas. Before the outbreak of the "Cultural Revolution," he still found time to go to dancing parties, where he listened to good music to cultivate his character and danced a little to relax his legs. In addition, at parties he could mix with people and make friends. Sometimes, when he was not too busy, he liked to take walks in the parks or go to operas. He always paid for us. In addition, he insisted on buying the tickets himself and looked for his own seats so that the crowd would not know that he was there. He did not enjoy any special privileges. He resolutely observed the rule that no one is allowed to host dinners and buy gifts at public expense. Presents from local authorities or individuals were always returned. If he could not return them, he paid more money for them than they were worth and wrote letters to criticize those who sent them. He let the relevant departments handle the presents given to him by foreign guests. Premier

Zhou was also strict with his relatives. Whenever relatives or friends asked him for employment favors, he always told them to approach the relevant organizations and solve their problems themselves. He never took advantage of his position and authority to speak for them. Sometimes his nephews and nieces visited him, and he always had them eat in the organs' mess halls. He kept reminding them that being his relatives did entitle them to privileges and warned them not to tell others that they were related to the premier. Some of them did not even tell the party organizations until after they had joined the party. He told his niece, who was working with a production team, to remain in the grasslands in Nei Monggol. This is just one example of the strict demands he imposed on his relatives. Premier Zhou and Sister Deng regarded us as members of their family. Therefore, they also imposed strict demands on us. He always taught us not to be obsessed with fame, money, or authority and reminded us that we could not, just because we were working by his side, regard ourselves as a privileged few. Still less could we take advantage of his authority to seek personal gains. In 1971 there was the social phenomenon of people trying to prevent their children from being sent to "mountain and rural areas" by getting influential people to help them join the Army. Even some of our colleagues had their children admitted to the Army with the help of influential people. The premier was very angry upon learning this and had all of them discharged. He personally enlightened his niece ideologically and let her return from the Army to the countryside, where she had been working with a production team. A doctor who had been with him for many years procrastinated on applying for the discharge of his child. As a result, the premier told him to criticize himself in black and white, sent for him, and openly reprimanded him during a Political Bureau meeting. The cadres present at the meeting were educated by this.

Premier Zhou was modest, amiable, easy to approach, polite, and affable. Although he had made great contributions to the country and the people, he never claimed credit and was never conceited. He always attributed his achievements to the country and the people. He kept telling us that since he was only a party member within the party branch and not its premier, we should address him not as "premier," but as "Comrade Enlai." When he was in critical condition in the hospital, he said to us in sincerity: "Now that I can no longer work, you must never address me as premier again. Call me Comrade Enlai!" We felt such grief at hearing these heartbreaking remarks that we all wept. The premier cared for all the comrades of the revolutionary ranks and treated them all as equals. Once on a snowy night, he gave his own snow boots to a sentry standing guard. He said to the sentries who saluted him in front of his house: "We are comrades! We see each other several times a day. Do not salute me anymore." On various occasions, when he had photographs taken with heroes, model workers, advanced individuals, and people from all walks of life, he cheerfully stood among the people present and refused to be seated in the center. During his inspection

tour of the Anshan Iron and Steel Complex, he called on workers' families. However, he would not let people wake up sleeping workers who had worked on the evening shift. He once had a long chat with a peasant at the latter's house, without causing him any trouble. On one occasion, he asked after the wellbeing of peasants living in an area hit by a natural calamity and asked bridge builders for advice in the middle of a heavy downpour.

He was magnanimous, selfless, and fearless. He was never pessimistic in the face of setbacks and difficulties and had great faith in the communist cause as well as a revolutionary, optimistic spirit. He had a sense of humor and his hearty laughter could always be heard. Wherever he went, people always found him amiable and respected him.

To sum up, the task assigned to us by the organization in the early fifties was to ensure that security, the premier's health, and his work would be properly looked after. Later, Premier Zhou and Sister Deng told us to do one more thing—to ensure that “no political harm would be done.” This “ensuring four things” later became the principle by which we did our work. He said to us: In dealing with foreigners, we should be polite to them; while the NPC and the CPPCC are holding meetings, we should be polite to people who are not members of our party; and we should be polite to guests, regardless of their social stations. He told us to appropriately adjust our security work according to various kinds of occasions, to watch our manners in receiving guests, and not to divorce ourselves from the masses. When on trips, he did not like having too many security men around him and was especially averse to large entourages. During trips to various parts of the country, he always travelled with only a few people, observed local customs, and never created trouble for local governments and people. Whether in cities, towns, rural areas, or border areas inhabited by minority groups, he always stressed the need to make do with whatever was available, use locally produced daily necessities, and eat local meals. Wherever he went, he gave people the impression that they were being visited by a relative. In receiving foreign guests, he stressed that “the host should adapt himself to his guests' ways,” respect their habits and customs, and try his best to make them comfortable, so that they would “feel at home.” However, while visiting foreign countries, he would stress that “the guest should adapt himself to his hosts' ways,” respect the habits and customs of the host countries, go along with their arrangements, never be picky, avoid creating trouble, and concentrate on making friends and on the fulfillment of his diplomatic missions. He was polite to everyone, from presidents to attendants. Before his departures, he always shook hands with all the attendants to show his appreciation. Therefore, he was generally trusted and respected by the governments and peoples of the world's countries. Thanks to all this, we have friends everywhere, and our country's international status is on the rise. Premier Zhou “had few cravings,

although he did his best for the country, and he was never arrogant, although he was well known both at home and abroad.” He shared the comforts and hardships of the masses and his heart was linked to those of the people. Should not every party member and every Chinese learn from, inherit, and develop this noble character and excellent style? A Realistic Style and the Spirit of Working Selflessly [subhead]

As the country embarked on large-scale economic construction, Premier Zhou shouldered even heavier responsibilities. He was in overall charge of the country's economic and foreign affairs and concurrently in charge of defense matters, public security, internal affairs, and united front work. He was always mindful of the people's living conditions even though he was occupied with a myriad of state affairs. His selfless devotion to his work left an ineffaceable impression on us.

Hardly ever taking a break and always doing his best, he worked for the party, the country, and the people for several decades. Whenever we asked him to take good care of himself and take a rest, he would say with deep feeling: “Countless revolutionary comrades have sacrificed their lives for the sake of the party's cause. Those of us who are lucky enough to still be alive today should take over their responsibilities and work that much harder in order not to let them down.” It was with such a state of mind and sense of historical responsibility that he did until his death what few mortals can do. “One Day at Xihuating” (Footnote 3: “One Day at Xihuating” was written by He Qian and published in BEIJING WENYI [Beijing's Literature and Art], No 4, 1984) gives a faithful account of one of the premier's thousands of working days. We can still remember how the premier was immersed in his work day and night. It often happened that he attended meetings and participated in activities related to foreign affairs in the daytime and called more meetings, invited people to talks, read over official documents, or asked Chairman Mao for instructions on important matters at night. Very often he could not go to bed until the early morning hours. When the War To Resist U.S. Aggression and Aid Korea was at its height and during international conferences, diplomatic negotiations, the 3 difficult years, and, in particular, the “10 years of turmoil,” he worked 16 or 17 hours a day. Sometimes he did not sleep at all and ate nothing but gruel prepared from ground corn for 2 or 3 days in a row. During those countless sleepless nights for the premier, we, who were younger and worked in shifts, could not help dozing off. However, he was always full of vigor and totally absorbed in his work. Whenever he felt tired, he rubbed some medicated oil on his forehead or scrubbed his face with a hot towel. The premier's frequent nosebleeds were caused by constant overwork. However, every time he had a nosebleed, he would continue with his work after receiving only minimal treatment. As far as we can remember, he rarely rested, even on holidays. Sometimes, when he was recuperating from an illness or during brief layovers on his way back to China from

visits to foreign countries, he would use the time to conduct surveys in the host countries or discuss business with local leading comrades.

Working hard and doing things by himself were his way. Government work reports were collectively drafted under his leadership, and he read over and corrected the drafts word by word. In addition, he personally drafted many of his telegrams and reports. Sometimes when he was very busy, he would tell his secretary his ideas and let him organize them. He would later find the time to correct the drafts. He always addressed the masses or cadres without relying on scripts. Always able to think clearly and endowed with a logical and insightful mind and an amazing memory, he could always quote extensively from many sources and, without departing from the actual facts, explain central policies and principles in a way that was acceptable to all. During the Bandung Conference, new situations kept arising, so while he listened to the speeches, he drafted his additional remarks. He was able to finish the draft in the morning and deliver his speech the same afternoon. In his speech, he introduced the now well-known idea of "seeking common ground while reserving differences." Thanks to his speech, the impasse was very quickly solved. For many years we pondered this question: What was the source of his energy and how did he develop and maintain his amazing memory? After observing and emulating the premier for many years, we came to this conclusion: Comrade Zhou Enlai had aspired since youth to fight for the rise of China. His heart was with the people. He worked hard and fought hard for the liberation and prosperity of the Chinese nation. His very broad mind was full of confidence that communism would eventually triumph and that the motherland had a bright future, and he had a great love for the masses.

In handling major internal and external affairs during military struggles and in the course of socialist construction, Premier Zhou always displayed his superb talent for organizing people and things and dealing with knotty problems. He was respected and admired by party members and non-members alike, as well as by foreigners. The eight nuclear contests carefully arranged by him were all very successful. Furthermore, he also displayed profound wisdom and great courage in crushing Lin Biao's coup attempt [pan luan—0651 0052]. He owed his organizational ability to his boundless loyalty to the revolutionary cause, to his great love for the people, to his diligence, to his carefully conducted investigations, and to his rich working experience. The whole party and country acknowledge that he was an outstanding organizer. Among the leaders of our party, he spent the most time in organizational work and made the most outstanding contributions to it.

During the 3 difficult years, grain was the party's and the people's most serious economic problem. This problem absorbed most of Premier Zhou's energy and gave him many sleepless nights. He was in overall charge of the country's efforts to solve this problem. He understood

the situation and made decisions with great resolution. With the help of Comrades Chen Yun and Li Xiannian, he was able to help people overcome the difficulties. We can still remember that at the beginning of those 3 years, there was a tendency to exaggerate things. Misled by unrealistic output estimations, people sold, transferred to the state, and exported vast quantities of grain, thus making the grain problem even more serious. People in areas affected by natural calamities, such as Shandong and Henan, suffered from dropsy. In many parts of the country, there were many untimely deaths and people fled. In Beijing, Tianjin, Shanghai, and Liaoning, grain was consumed faster than it was imported, and its supply only lasted a few days. "Food is the people's first necessity." The premier was desperate. He could neither eat nor sleep. Every day, he held meetings to discuss with the relevant leading comrades ways to solve the problem and personally telephoned various parts of the country to ask for grain. He even sent people to Henan's Xinyang Prefecture to find out how badly the people were suffering from the grain problem and dropsy. To solve the countless problems countered at the grain center, Premier Zhou checked and verified grain output figures by various means. Several times a week, he summoned the leaders of the grain departments, and they discussed problems from 2200 to 0200 or 0300 the next morning. In addition, he also told them to send over grain procurement, market, transfer, and stock records. Very often he worked late into the night, verifying figures with the help of an abacus. Sister Deng said with a sigh: "Our premier could not find his way out once he was buried in grain." At that time the premier and Sister Deng took the lead in reducing the consumption of eggs, meat, and oil. They ate simple food. As a result, the premier noticeably lost weight. If the situation is clear, one can act with resolution. Premier Zhou and other leading comrades resolutely proposed to the party Central Committee and the State Council the adoption of such important measures as importing grain, reducing the urban population, reducing rations, saving grain, and fulfilling grain output targets in the rural areas. It can be said that the problem could not have been alleviated if these measures had not been adopted at that time. Although he was always working and the tempo of his life was fast, he always took advantage of all kinds of occasions to conduct investigations among the people. Sometimes he even stayed at selected grass-roots units to conduct investigations. Between 28 April and 14 May 1961, he led a work team to conduct investigations in the rural areas of Handan. We went with him to chat with peasants in their homes, and we held forums in villages to listen to peasants' opinions on the current rural policy. He personally took the minutes at the meetings and personally telephoned Chairman Mao to propose the abolition of the rural mess halls, the abolition of the commune members' supply system, the resumption of the system of calculating workpoints according to work, and the resumption of the use of the physical strength of commune members and animals. Later, after discussing the issues collectively, the central authorities made some decisions to basically

correct some policy mistakes in distribution in people's communes. Thanks to all this, the rural economy improved and was able to develop a little in less than 3 years.

Bureaucratism is the most common political failing among leadership organs. Premier Zhou demanded that all reports sent over from various ministries and commissions be examined and signed by their ministers and chairmen, in order to show that they were responsible for them. In addition, he also ordered various ministries and commissions to establish a duty system, so that there would be people on duty round the clock. He always reminded leading cadres at various levels to be aware of the harmfulness of bureaucratism and personally took some practical measures to fight bureaucratism. On 1 May 1963, Premier Zhou was informed that "Forward Leap," the country's first ocean-going freighter, had sunk on its way to Japan. People at the time conjectured that it was either torpedoed or that it sank after running aground on submerged rocks. Premier Zhou was concerned, but he remained calm. On the one hand, he ordered the Navy to send rescue ships. On the other, he suggested to Chairman Mao that the XINHUA News Agency handle this carefully by announcing that "a statement would be issued after the situation had been sorted out." A special group was subsequently formed to inquire into the accident. He then chaired a meeting in Beijing at which two reports were submitted by the Ministry of Communications on the on-the-spot investigations and on Navy and Air Force assistance. Later the premier, Vice Premier Chen Yi, and the responsible comrades of the Ministry of Communications rushed to Shanghai, where they heard reports by the East Sea Fleet and the Offshore Salvage Authority on the investigation preparations. After that they boarded ships to find out how the investigation plans were being implemented. He carefully arranged the task force, the organization of the commanding cadres, the communications setup, and underwater operations. In addition, the premier personally went to the Institute of Oceanography to find out how the frogmen were doing in deep-diving counter-pressure tests and talked to them through the intercom. Finally, he addressed all the people involved in the operation, telling them to try their best to find out the cause of the accident. The premier did not return to Beijing until all the ships involved in the operation had set sail. According to the investigations, the ship sank after running aground on some submerged rocks. However, bureaucratism among the leaders of the relevant departments was also to blame. The crew was hurriedly assembled and an inappropriate course was chosen. On 29 May, on the basis of the lessons learned from this accident, Premier Zhou delivered at a meeting of the responsible cadres of central state organs his famous speech "On Opposing Bureaucratism." We went with the premier to Shanghai and therefore witnessed how he handled this major accident, how he drew conclusions after conducting investigations, how he educated people by setting an example, and how, on the basis of facts, he

enlightened comrades who had made bureaucratic mistakes. We were deeply impressed by the art of leadership he displayed in inspecting things.

Thanks to long-term revolutionary practice, the party has cultivated an excellent style, which is characterized by its close ties with the masses, the integration of theory with practice, criticism, and self-criticism. Every day Premier Zhou was required to handle a myriad of party and state affairs, and so every single second was very important to him. However, he always managed to find time to visit factories, the countryside, PLA units, schools, and shops to see things for himself, to listen to people's opinions, and to try to fathom the masses' feelings. We personally saw that he always took all kinds of opportunities to make extensive contacts with people and to make friends with people from various social strata and from all walks of life. He was amiable, easy to approach, and unassuming. People were willing to tell him what was on their minds without reservation.

He attached great importance to intellectuals and encouraged them to play an important role in socialist construction. He was in close contact with leading and well-known scientists, educators, cultural activists, athletes, and doctors. He was concerned about their work and living conditions and he also wanted them to make progress politically. Thus, he was able to arouse their creativeness and enthusiasm for building the motherland. Taking his personal experience as an example, he taught intellectuals to integrate with workers and peasants and encouraged them to do their best to jump the political, ideological, living, family, and social "hurdles." Thanks to his profound concern, many democratic personages finally decided to take the socialist revolutionary road. Some of them even became the pioneers and fighters of the working class. He personally prepared Cheng Yanqiu [4453 4291 4428] and recommended him to the party. He often had long chats with Cheng at Cheng's home. At first we did not understand why he should spend so much time working on a Beijing Opera actor to prepare him for party membership. The premier thought that since Cheng Yanqiu had political integrity and since he was a famous Beijing Opera artist, he represented a certain group of people and had influence among people involved in theatrical work and, therefore, recommending him was not a matter of personal friendship but could point out the political direction for these people. At a certain meeting, Premier Zhou saw that Mr Lao She was wearing a heavy pair of woollen blanket boots. From a chat with him, he learned that the floor of Lao She's house was lined with bricks and was therefore both damp and cold. He could not find any planks to buy to line his floor. The premier asked leading comrades from the Beijing Municipality to help him solve the problem. They sent people to examine the floor and make it dampproof. Overjoyed, Lao She said: "I will be happy to pay for it!" The Premier personally called on him at his home and discussed with him the revision of the lists of the operas to be staged. Lao She often told people that he respected and admired Premier Zhou

from the bottom of his heart and regarded him as his teacher and a helpful friend. Premier Zhou was very mindful of the wellbeing of scientists, educators, writers, artists, athletes, and medical workers who had made great contributions. He was always the first to say hello whenever he met them. He would then ask them whether they had problems or invite them to forums or to his home as his guests. He was an intimate friend of many intellectuals.

Premier Zhou understood Marxism-Leninism, Mao Zedong Thought, and the party Central Committee's resolutions very well and was good at applying them in his work. In other words, he played an exemplary role in integrating theory with practice. In his draft telegrams, replies, instructions, and speeches, there was no place for impractical, high-sounding slogans. His opinions and suggestions were always clear, specific, and aimed at both solving practical problems and upholding long-term interests. He was also good at summing up practical experience and converting it into theory. He made important contributions to Mao Zedong Thought. His whole life was guided by the dictum "The construction of a 10,000-zhang building starts from the ground floor." He attached great importance to practice, and if he wanted to do something, he would begin it immediately. Along the road of ideals, he moved forward step by step toward the future. He kept his word, acted with great resolution, and played an exemplary role by practicing what he preached, thus winning the trust of the whole party, Army, and country. He was always the first one to respond to the party's calls, and he earnestly practiced what he advocated. When the central authorities called for the streamlining of the Army and the simplification of administration, he responded by streamlining his own staff first. Even though we were already short-handed, he insisted on reducing the size of the staff until it could not be reduced any further. When he did manual work at the Ming Tombs Reservoir and made his inspection trips to the site of the Three Gorges Reservoir, he went with only one guard. After the Zunyi Conference, when he suggested that Mao Zedong be made leader, he faithfully supported Chairman Mao and willingly remained his assistant for several decades. Whenever he asked for instructions, reported the progress of his work, made preparations for conferences, and studied major policies, he always did things very carefully, in order to lighten the chairman's workload. He even looked after Chairman Mao's security and health matters personally.

Premier Zhou also played an exemplary role in criticism and self-criticism among party members. Selfless and fearless, he was an out-and-out materialist. He was strict with himself and frank with others. He never held back his views. He was always the first to take the blame for work or policy mistakes. He always discussed his own mistakes and shortcomings, so that the whole party could take warning. He often said: "Discuss our mistakes with everyone. In this way, we can take advantage of our comrades' supervision and help. On the other hand, they can also learn from this." After discovering that we

renovated his house while he was away making inspection trips, he openly examined himself at meetings, blaming himself for not being stricter with us and wasting the state's money. Whenever he criticized a leading cadre, he always did so by presenting the facts and by reasoning things out. Therefore, people were always convinced. In dealing with major problems, he advocated the principle of seeking truth from facts. He always conducted investigations and opposed and criticized bureaucratism. He never concealed anything from democratic personages and was open and aboveboard. One could really say that he had nothing to conceal. In handling major issues, such as the sinking of "Forward Leap" and the abolition of the mess halls, he always tried to listen to as many opinions as possible before he took any actions. He did not like yes-men. When he was studying problems with others, he would be displeased if anyone said: "I completely endorse the premier's views." He would criticize him, saying: "If all my views are correct, what is the point in holding meetings? The purpose of meetings is to study different opinions and to pool the correct ones. I hope you will frankly express your own views and avoid saying yes all the time." Using his sincere criticism and self-criticism as a weapon [as published], he was able to achieve a pleasant atmosphere in which democracy was combined with centralization and collective will with personal opinions.

Exerting Himself to the Utmost Until His Death [sub-head]

During the historical disaster of the "Cultural Revolution," Lin Biao, Jiang Qing, and their gang regarded Premier Zhou as the most formidable obstacle to their seizure of political power, and they were always waiting for an opportunity to bring him down. At that time, extreme "leftist" ideas prevailed. The premier found himself in a situation which was much more difficult than people could imagine. In handling many important issues, he found that he was unable to do things as he wished. However, he endured humiliation in order to carry out his important missions. Like a firm rock in the middle of a stream, he tried his best to offset the destructive effects of the "Cultural Revolution." Chatting with his old comrade-in-arms Li Fuchun on a certain day in December 1966, he said: If I do not enter the tiger's lair, who will? And if I do not go to hell, who will? That was precisely the motive behind his efforts to turn the tide and to shore up the shaky situation. He firmly believed that he would eventually be understood by the people and be understood in the course of history. He often said: During the "Cultural Revolution," the saying "exerting oneself to the utmost until one's death" was the only thing I held firm to. To extricate the party and the country from this disastrous tragedy, he unflinchingly held on for the last 10 years of his life, thus earning the people's understanding, trust, and heartfelt admiration.

During the "Cultural Revolution," Lin Biao, Jiang Qing, and their gang encouraged the "Red Guards" to indulge in beating, smashing, and looting. Many central and

local party, government, and Army responsible comrades, democratic party members, and people not affiliated with any political parties were persecuted. Premier Zhou tried his best to resist the great pressure from Lin Biao, Jiang Qing, and their gang, who were then unjustly occupying high posts, and to protect the old cadres, the well-known figures of various circles, and the people. He said on many occasions: "One should bravely step forward to protect those cadres who should be protected. It is necessary to divide things into two groups and to distinguish between contributions and mistakes." Jiang Qing and her gang referred to Premier Zhou as the "worst royalist." This shows that the premier was the greatest obstacle to their persecution of old cadres. We can still remember that after receiving instructions from Chairman Mao on 30 August 1966, to protect Zhang Shizhao, he on the one hand implemented these instructions and, on the other, took this golden opportunity to draft a list of people who should be protected. These people included Soong Ching-ling, Guo Moruo, celebrities in all fields, and central, State Council, NPC, and CPPCC leaders. Later, He Long's house was searched and his property confiscated. In view of this, the premier let some leaders move into Zhongnanhai. Those who had been ferreted out and repeatedly struggled against by crooked people, those who were held in the tight grip of Lin Biao, Jiang Qing, and their gang, and those whose personal safety was seriously threatened, he "protected by placing them in the custody" of the Beijing Garrison Command. Some Army cadres were persecuted during the drive to "pluck out a handful of people in the Army." He protected them by summoning them to meetings at the Jingxi Hotel and letting them live there. High-ranking leading cadres who were persecuted when people "plucked out the traitors" were told to "receive treatment" in Army hospitals and were protected by the Army. More than 20 of the responsible comrades of the big districts, provinces, and cities were first admitted to guesthouses run by organs directly under the central authorities and were later secretly sent to quarters of the Beijing Garrison Command, where they were properly protected. We can see that the premier did whatever he could to protect people. However, there were times when the premier was willing to help but was unable to do so. He would then try his best to give those cadres in adversity a little warmth on behalf of the party and have his secretary relay to them this message: "Continue with the revolution single-mindedly and seek truth from facts." The purpose of this was to encourage them to hold on. Premier Zhou spared no pains to protect Comrade Chen Yi. When the Foreign Ministry's rebels were holding rallies to criticize him, the premier went over to where the rallies were being held to be with him and to stop the rebels from shouting the slogan "Down with Chen Yi." Aware that the rebels were trying to take Chen Yi away during meeting breaks, Premier Zhou sat with him in a small room for over an hour and calmly told us to try to take Comrade Chen Yi to a safe place, paying no attention to the terrible noise outside. The old marshal, who never bowed to difficulties even in the worst of circumstances, was moved to tears. When a gang

from the Institute of Foreign Languages threatened to take away Chen Yi, the premier indignantly warned them, saying: "If you people try to stop Comrade Chen Yi's car, I will immediately step forward. If you try to take Comrade Chen Yi away, I will stand in front of the Great Hall of the People and you people will have to enter it over my body!" When students from colleges under the agriculture and forestry departments tried to storm the western gate of Zhongnanhai in an attempt to pluck out Tan Zhenlin, Premier Zhou was attending a conference at the State Council. Although the temperature had dropped to 6 or 7 degrees below zero that night, without putting on an overcoat or a woollen sweater, Premier Zhou rushed to the place and, standing in the cold, spoke for half an hour to persuade the students to withdraw. Instigated by Lin Biao, Jiang Qing, and their gang, a crowd of more than 100,000 people camped out around Zhongnanhai and formed a "battle line to pluck out Liu." They made many attempts to storm into Zhongnanhai. In order not to interrupt the State Council's work, Premier Zhou, in total disregard for his personal safety, refused to leave Xihuating. As a result, the plot devised by Lin Biao, Jiang Qing, and their gang was frustrated. Zhao Erlu, deputy director of the Defense Industry Office, died near his desk. The rebels insisted that he had killed himself to escape punishment. After learning this, Premier Zhou indignantly said: This old comrade was still working when he met his end. How can anyone say that he killed himself? He ordered the hospital to conduct an autopsy, which showed that a heart attack ended his life. Minister of Coal Industry Zhang Linzhi was killed by the rebels and was called a traitor after his death. At several meetings, Premier Zhou indignantly commented: Comrade Zhang Linzhi was persecuted to death. He had never betrayed the party or the people; we cannot call him a traitor. He felt guilty because he thought that he had not done his best to protect Comrade Zhang Linzhi and he criticized himself several times for this. He once said to his staff: People who have experienced a revolutionary period are very different from those who have not. Those who have only started one rebellion call themselves revolutionary. However, the old cadres who have been involved in the revolution for about half a century are now being called capitalist-roaders. Is this in keeping with historical materialism? The history of the revolution and our revolutionary tradition should be attributed to one generation of people. To protect the older generation is to protect the history of the revolution and our revolutionary tradition. After Lin Baio exposed himself [zi wo bao zha—5261 2053 3615 3498], Premier Zhou took the golden opportunity to organize people to criticize extreme leftist ideas and called for an end to fascist interrogation, for prison reforms, and for efforts to solve the problem of imprisoned aged cadres being ill-treated. Later, two ministers died before doctors could give them emergency treatment. Therefore, he personally ordered the Ministry of Public Health to solve the problem of arranging medical checkups and providing medical services for cadres at the vice-ministerial level or above. Many old cadres took this opportunity to return to

Beijing and were gradually given jobs. After Chairman Mao mentioned Comrade Xiaoping's name to Zhang Qian and others at the memorial service for Comrade Chen Yi, Premier Zhou immediately and tactfully asked Chen Yi's family to spread the news. Later, Comrade Xiaoping was reinstated thanks to his efforts. Toward the end of the "Cultural Revolution," he tried to have some of the old cadres released and personally found jobs for them. In early 1975, after learning in the hospital that Chairman Mao had nominated Hou Baolin for deputy to the Fourth NPC, he immediately nominated more than 20 comrades from literature and art circles.

Premier Zhou's love for the people can be seen most clearly from his efforts to resist extreme "leftist" ideas and his use of the slogan "Grasp the Revolution and Promote Production" for the purposes of reforming and strengthening enterprise management, resuming the regular work of cultural, educational, science, and technology departments, developing agricultural production, and solving the serious problems of a wrecked economy. Thanks to his work, the country was able to meet the people's basic needs, namely food, clothing, shelter, and transportation. Speaking against Lin Biao's absurd view that "politics can smash all things [zheng zhi ke yi chong ji yi qie]," he said at several meetings that political principal should be applied to practical work. To solve the problem of the tremendous economic losses caused by the jamming of ports, he unambiguously instructed people to calculate handling fees according to the number of items handled, thus preventing the ports from becoming paralyzed. At a series of special national conferences held successively from the end of 1971, Premier Zhou encouraged cadres at all levels to attend boldly to production and business, readopted rules and regulations that had been denounced, and, in the name of the State Council, proposed several measures for consolidating enterprises. After enterprise consolidation had yielded certain results, he turned his attention to the problem of national economic imbalance and the problem of the overextended battle line in capital construction. He stressed the need to eliminate the destructive effects of Lin Biao and his gang's activities on the economy. Thanks to the specific measures adopted, industrial and agricultural production gradually showed an upturn and the national economy began to take a turn for the better.

The "Great Cultural Revolution" caused extremely great damage to China's endeavors in science, culture, and education. Premier Zhou found the situation of withered literature and art most heartbreaking, and in a clear-cut way proposed the need to promote the principle of letting a hundred flowers blossom. This greatly inspired writers and artists, who had been in distress. Aiming at the confusion in schools and the grave deterioration of educational quality, he proposed that "high school graduates may enter college directly, without first going through 2 years of manual labor." He demanded a change in the situation in which scientific research had long been at a standstill, and suggested strengthening

basic theoretical research in the natural sciences. He wrote a letter urging the leading comrade of the Academy of Sciences of China, saying: "We cannot afford to wait regarding this issue." Through the concerted efforts of a large number of experts, scientists, and technicians, China successfully launched its artificial satellite.

Premier Zhou exerted tremendous efforts in creating a new situation in China's foreign affairs, with splendid accomplishments in this field. He made indelible, outstanding contributions, and won universal respect throughout the world. Prior to the "Cultural Revolution," we accompanied Premier Zhou on visits to the USSR and socialist countries in Eastern Europe, participating in the Bandung Conference, the tour of 11 Asian and European nations, and the tour of 14 Asian, African, and European nations. We witnessed how Premier Zhou, who won a worldwide reputation as an "outstanding diplomat," always maintained the principle, in ties with communist parties of various countries or with Third World countries, of treating all countries, big and small alike, on the basis of equality, the more so with small countries, and gave equal importance to both governmental diplomacy and promotion of friendship between peoples. As a result, we made friends all over the world. The premier was a man of principle, but not without flexibility in participating in world conferences and establishing ties with various countries. While upholding the honor of China, we united all forces that could be united in the world. Through Premier Zhou's long-term, arduous, and meticulous work, China made a series of breakthroughs in foreign affairs in the wake of the Lin Biao affair: China's recovery of its legitimate seat in the United Nations, Nixon's visit to China, which resulted in the publication of the Sino-U.S. "Shanghai Communiqué," and Tanaka's visit to China, which resulted in the realization of the normalization of Sino-Japanese diplomatic relations, followed by the establishing of diplomatic relations between China and a great number of countries. We remember that it was Kissinger's secret visits to China that triggered a series of important changes. Prior to this, there had been the dramatic "table-tennis diplomacy." Premier Zhou seized the opportunity of inviting the U.S. table-tennis team, participating in the world table-tennis championship tournament in Japan, to visit China. This greatly countered the influence of the anti-Chinese camp in the United States, and created an appropriate climate for Kissinger's first secret trip to China.

Kissinger's first visit to China was kept top secret. The premier made arrangements for Kissinger to stay at the State Guest House in Diaoyutai. He personally checked the deployment of guards and the reception work, and saw to it that everything met the requirements of safety, secrecy, and etiquette, without overlooking the slightest detail. During his second visit, Kissinger was trying to map out a communique on Nixon's visit to China. Premier Zhou presided over the meeting, and a communique was eventually worked out in which each side aired its own view. That was something new in the

formulation of diplomatic documents. In receiving the advance party, headed by Haig, the premier's firmness in matters of principle and his flexibility regarding specific issues were demonstrated. On the eve of the departure of the advance party, Premier Zhou met Haig personally, and their talk lasted several hours. He made it sufficiently clear to the U.S. side that the Sino-U.S. talks must be founded on the basis of equality, and that China would not yield an inch on matters of principle. After their meeting, Haig said: "I have long looked forward to meeting Premier Zhou, and I could not help admiring him in our talk this evening." During Nixon's visit, the U.S. side wanted to conduct live coverage via satellite. Haig said the Chinese side could rent two sets of satellite ground reception equipment from the United States, then return them after Nixon's visit. The premier firmly said no to the proposal, and insisted that China would purchase both sets of equipment. The U.S. side would rent them, he proposed, then return them to the Chinese side after Nixon's visit. The two sets of equipment were later installed as satellite ground reception stations in Beijing and Shanghai respectively. The premier upheld principle and China's honor without hankering after advantages. During Nixon's first visit to China, Premier Zhou proposed the guideline for his reception of "showing a lukewarm attitude, being neither arrogant nor humble, treating our guest with due respect, and being natural and graceful." At the same time, nationwide education in situation and policy was conducted. Eventually Sino-U.S. relations, which had been frozen for more than 20 years, were reestablished with Nixon's visit to China. The event not only shaped China's new pattern of diplomacy, but created favorable international conditions for reform and opening to the world later on. It has always been the party's persistent concept to adhere to independence, taking the initiative in our own hands and practicing self-reliance; to oppose the policy of building the nation by severing all foreign intercourse; and to advocate the import of advanced technology, while learning from the merits of other nations. However, because Western countries had exercised an "embargo" against China, the import of advanced technology had been restricted. With the normalization of Sino-U.S. diplomatic relations, Premier Zhou presided over the planning for importing \$4.3 billion worth of technological equipment, which included a 1.7-meter cold-rolling machine for Wuhan Iron and Steel Works and 13 sets of large-type production lines for chemical fertilizer and chemical fibers. These imports provided helpful experience in large-scale import later on.

In his seventies, and despite his coronary heart disease condition, Premier Zhou shouldered an excessive amount of work in his endeavors to minimize the destruction caused by the "Cultural Revolution" and to maintain continuity in all aspects of party and government functions. In the end, he became overly exhausted both mentally and physically, and succumbed to illness. On 1 June 1974, he entered the 305 Hospital, where he was to spend the last 1 and 1/2 years of his life. In May 1972, the premier was diagnosed as having cancer,

causing much distress and concern among the medical staff. However, the gang of four used all sorts of excuses to raise innumerable obstacles and interfere in the medical treatment. When the premier's condition worsened and his body was losing large amounts of blood each day, he still carried on with the very demanding protocol duty of welcoming and seeing off foreign guests, and often had to travel several miles back and forth to the capital's airport. This was a heavy burden for the seriously ailing premier. On a number of occasions, he revealed to us his fatigue and his wish to take a rest. However, in order to prevent the party and state authorities from falling into the hands of the Jiang Qing clique and to stop the ferociously emerging "movement to criticize Lin Biao and Confucius" from creating disturbances again, he forced himself to work round the clock. He set aside his own illness, and not only did he not alter his work pace, he instead accelerated it and repeatedly asked us, the medical staff, to coordinate his treatment with his work. The schedule of his treatment had to be adapted to, and coordinated with, his work, so as not to affect and interfere with his work. When news of Premier Zhou's being confined to the hospital was revealed, the people of the entire country were deeply affected. When the ailing Premier Zhou hosted the huge banquet celebrating the 25th anniversary of the founding of the PRC, we saw the entire reception hall erupting in excitement and applause, refusing to die down as Chinese and foreign guests vied with one another to seek him out and extend their greetings. This fully demonstrated the sentiments of the people at that time. During the preparations for the Fourth NPC and the deliberations on appointments to government organs, during this critical moment which would decide who held the leadership of the party and the state, Premier Zhou disregarded the state of his health, even though he had just undergone two major operations, and again unflinchingly took on this enormous task. For more than 10 consecutive days, he held talks with Comrades Deng Xiaoping, Ye Jianying, Li Xiannian, and others in the hospital, met separately with members of the Political Bureau, reviewed the preparatory work for the Fourth NPC, and also wrote to Chairman Mao, actively endorsing Comrade Xiaoping as the first deputy premier, as well as general chief of staff. To ensure that all aspects of the preparatory work for the Fourth NPC were carried out smoothly, Premier Zhou worked intensely all night in the hospital to resolve the sticky issue of personnel appointments, and then, despite his ill health, flew to Changsha to report to Chairman Mao, and thus defeated Jiang Qing's conspiracy to form a cabinet. In his Government Work Report to the Fourth National People's Congress, Premier Zhou reiterated the lofty goal of realizing the "four modernizations" and propelling our country's national economy to the forefront of the world. This became his most important behest left with us.

During Premier Zhou's last year, when he was gravely ill, Comrade Deng Xiaoping took charge of running the day-to-day work of the central government, and he carried out a comprehensive readjustment, which

brought some thriving vigor in all aspects of work. The results of the comprehensive readjustment enabled the people to see a glimmer of hope in the country, and brought relief to the dying Premier Zhou as well. In the winter of 1975, well aware that his days were numbered, he continued to maintain his calm and composure, and aside from his worries for the country and the people, he showed not the slightest sentiment of grief, disappointment, or irritation. Instead, he cooperated with the medical staff, who carried out excruciatingly painful treatment on him, and he wrote a letter to Chairman Mao, solemnly suggesting that Comrade Deng Xiaoping take over his responsibilities. Before undergoing surgery on 20 September 1975, and right before the eyes of the medical and security personnel who accompanied his stretcher, the frail Premier Zhou shook hands with Comrades Ye Jianying and Li Xiannian, who had come to oversee the surgery. And shortly before being taken to the operating theater, when Comrade Deng Xiaoping approached the stretcher, Premier Zhou held Comrade Xiaoping's hands tightly, and, in front of everyone, including Wang Hungwen and Zhang Chunqiao, he spoke out loudly: "You did very well this year, and your competence is superior to mine..." Then turning to Comrade Xiannian, he said: "The Central Committee wants you to take charge of the financial portfolio. You have to do well!" Big Sister Deng witnessed this touching scene with us. As a firm believer in materialism, Premier Zhou was calmly undaunted by that one law of nature which no mortal can resist—that of growing old, getting ill, and dying. On each occasion before he left the room to undergo surgery, he always shook hands with each and every member of the medical, security, and service staff, as if in anticipation of not leaving the operating theater. But he never left any personal testament. Instead, he would use this final moment before being wheeled into the operating theater to praise Comrade Xiaoping loudly before some Central Committee leaders. Was this not the total expression of his carefully considered wishes and sincere hopes? During the 10 years of turmoil, Premier Zhou went through trials and tribulations alongside the country and the nation, and shared the fate of the party and the people. In the struggle against the tragedies of history, he experienced enormous difficulties and hardships and demonstrated his shining loyalty to the motherland, the party, and the people, allowing the final journey of his life to emit a glorious radiance. He will be forever remembered and revered by the people.

The glorious image of Comrade Zhou Enlai, an excellent representative nurtured by the Chinese nation and the CPC, will forever be an inexhaustible spiritual force spurring us and our descendants to complete the great task of reunifying the motherland and realizing the four modernizations, as well as to achieve the lofty ideals of communism.

Leaders Inaugurate New Deng Picture Album
OW261336 Beijing XINHUA in English 1237 GMT
26 Feb 88

[Text] Beijing, February 16 (XINHUA)—A picture album showing Deng Xiaoping's 70-year revolutionary career came off the press here today.

The album, in both Chinese and English editions, consists of a 20,000-word biography and 500 pictures with 30,000-word captions.

The picture album, the first of its kind, was compiled and published by the department for the research on literature of the Chinese Communist Party and XINHUA News Agency.

Li Qi, director of the department and editor-in-chief of the picture album, said at the publication ceremony that "this picture album is of great value not only as a document of the life of a Chinese leader, but also as an artistic work."

The album depicts Deng's career, his contributions to the Chinese revolution and to revolutionary theories, his family life and friendships, Li said.

The 500 pictures were selected from more than 10,000 contributed by more than 100 specialists. The editors of the album visited all the archives, museums and memorial halls across the country during the two years it took to compile the work.

The focus of the album is on the period since 1978 when the Chinese Communist Party Central Committee led by Deng Xiaoping started to bring order out of chaos and began to build socialism with Chinese characteristics.

The album's French, Japanese and German editions will soon be available, Li said.

More than 250 people attended today's publication ceremony. Among them were Hu Qili, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, Yang Shangkun, Song Ping and Qin Jiwei, members of party's Political Bureau, high-ranking Army officers, and public figures from the worlds of literature and the arts, and from Hong Kong.

Zhou Gucheng and Huang Hua, vice-chairmen of the National People's Congress, and Wang Meng, minister of culture, made speeches at the ceremony which was presided over by Mu Qing, president of the XINHUA News Agency and another editor-in-chief of the album.

Hu Qili Visits Tianjin Sites, Political Forum
SK250654 Tianjin City Service in Mandarin
2300 GMT 24 Feb 88

[Text] Hu Qili, Standing Committee member of the Political Bureau of the CPC Central Committee and member of the Secretariat of the CPC Central Committee, highly appraised the Tianjin key railway reconstruction project.

While inspecting the project on the afternoon of 23 February, Hu Qili said that construction speed and quality like this were rarely seen in the whole country.

He called on leading persons of the project to persist in the principle of paying equal attention to spiritual and material civilizations; to conscientiously sum up the experiences in ideological and political work; and to answer the new questions concerning the ideological and political work under the situation of conducting reform, opening the country to the outside world, and separating party functions from government functions.

Comrade Hu Qili arrived in Tianjin on 22 February.

While staying in Tianjin, Hu Qili discussed strengthening macroinstruction of ideological and political work with responsible comrades of the municipal party committee.

At the construction site of the Tianjin key railway reconstruction project, Comrade Hu Qili cordially shook hands with the workers and thanked them for their contributions to the key state construction project. The workers warmly applauded to welcome his visit.

At a forum with personnel in charge of the construction site's ideological and political work, Hu Qili said: Society should acknowledge workers' contributions in order to arouse their enthusiasm for making contributions. We should adopt various measures to disseminate workers' advanced deeds.

In the afternoon of 23 February, Comrade Hu Qili visited the Hexi District cultural center and the Hexi District children's palace; watched the cultural and recreation facilities built with funds collected largely by the district itself, including theaters, dancing halls, and ball-playing courts; viewed an amateur photo exhibition; and admired the childrens' music playing and dancing performances.

After hearing the report on launching mass cultural activities delivered by a responsible comrade of Hexi District, Comrade Hu Qili said: Your idea and practice of developing mass cultural activities are good. You have foresight in this regard. All this will play a great role in upgrading the cultural, moral, and educational quality of the whole nation and in cultivating new persons with lofty ideals, knowledge, morality, and a sense of discipline. These achievements will emerge one after another in the course of time.

He said that we should conduct education among youngsters on patriotism, a sense of respecting and being proud of our nation, arduous struggle, and clearly understanding the national situation.

Among those accompanying Comrade Hu Qili to conduct the inspection were Tan Shaowen, deputy secretary of the municipal party committee; Zhang Jinghua and Bai Hualing, members of the Standing Committee of the municipal party committee; and Zheng Wantong, secretary general of the municipal party committee.

Comrade Hu Qili left Tianjin on 24 February.

Writers, Artists Hold Spring Festival Party
HK250807 Beijing GUANGMING RIBAO in Chinese
9 Feb 88 p 1

[Report by reporters Gong Suyi (1362 5685 5669) and Zeng Yi (2582 3015): "Writers and Artists in Beijing Hold Spring Festival Party"]

[Text] The China Federation of Literary and Art Circles and the Chinese Writers' Association held a "Spring Festival get-together for capital writers and artists" in the Great Hall of the People in Beijing this afternoon. On behalf of the China Federation of Literary and Art Circles and the Chinese Writers' Association, Wu Zuqiang, secretary of the Party Organization of the China Federation of Literary and Art Circles, gave a speech to all writers and artists present. He said: The direction of reform set at the 13th Party Congress and the spirit of further emancipating the mind and further emancipating the productive forces put forward by Comrade Zhao Ziyang involves the whole country, and also the literature and art circles, without exception. Literature and art circles must catch up with the pace of reform. They must properly convene the Fifth Congress of Chinese Writers and Artists scheduled for the second half of this year, so that fine works can be dedicated to next year's 40th anniversary of the founding of the state. Wu Zuqiang said: "It is fervently hoped that the year 1988 will bring fruitful results for literature and art circles."

Hu Qili, member of the Standing Committee of the CPC Central Political Bureau, attended the Spring Festival get-together. On behalf of the Secretariat, Rui Xingwen, secretary of the CPC Central Committee Secretariat, extended Spring Festival greetings to all comrades and friends in literature and art circles. In his speech he first briefed everyone on the economic situation and the literature and art situation in our country. He stressed that we must further improve and strengthen party leadership over literature and art. With regard to literature and art the party must take charge of major issues and keep a firm and proper grip on important fields, upholding the correct political direction. Excessive control should not be exercised over specific matters. In matters of what to write and how to write a solution can only be sought by writers and artists through exploration in the practice of literature and art. Intervention should not be made where there is nothing which runs counter to party leadership and the socialist road; subverts our government; runs foul of the Constitution and the law; and does not disseminate obscenity. Concerning academic and theoretical debate we must show support for the development of literature and art criticism and theoretical studies on a democratic and equal basis. Rui Xingwen told writers and artists that by requiring literature and art to firmly serve the people and socialism, we do not mean getting involved with one fixed pattern. Instead, we must have active debate on the selection of

subject matter, the creative style, the ways of expression, literature and art theory, and so forth. The people are calling on us to create more literary and art which can reflect the spirit and the features of the era, as they work on construction and reform at the height of their enthusiasm.

On behalf of writers and artists in the capital, Wang Meng pointed out in a speech: Let us be devoted to living deep among the people, doing a good creative job and scaling the heights of literature and art. He considered that there are now social environments and creation-related conditions for realizing this goal.

Kang Keqing, Wu Xiuquan, Bao Tong, Wang Renzhi, Qian Liren, and others also attended today's Spring Festival get-together. Literature and art workers from the capital presented theatrical programs at the get-together.

Chen Muhua, Zhejiang Governor Open Fair
OW260309 Beijing XINHUA in English 1515 GMT
25 Feb 88

[Text] Hangzhou, February 25 (XINHUA)—The second export commodities fair in east China's Zhejiang Province opened here today in Hangzhou, the provincial capital.

More than 1,000 commodities including industrial products, food, and handicrafts are being exhibited at the fair which runs until March 5.

The Department of Foreign Economic Relations and Trade, and export and import companies in the province are sponsoring the fair in a bid to boost exports and give foreigners a chance to know the province better.

About 200 businessmen from 20 foreign countries, Hong Kong and Macao were invited to attend the opening ceremony in which Chen Muhua, Chinese state councilor and governor of the People's Bank of China and Shen Zhulun, governor of Zhejiang Province, cut the ribbon.

Unlike the last fair, special exhibition halls for products from the coastal Zhejiang City of Ningbo have been included.

The province has trade ties with 130 firms of foreign countries and Hong Kong and Macao.

Last year, the province exported 1.37 billion U.S. dollar worth of goods, 5 times the value of 1980.

Official Discusses Conscription Practices
OW260127 Beijing XINHUA Domestic Service
in Chinese 0253 GMT 25 Feb 88

[Text] 25 Feb, Beijing (XINHUA)—Nearly half of the new recruits of a certain Air Force brigade of the Shenyang Military Region received "wages" or other

favorable economic allowances when they joined the service this year. Some people called them "mercenaries." In this connection, a responsible person concerned from the Mobilization Department of the General Staff Department said that giving "wages" to new recruits when they joined the services implies special care and not hiring.

In an interview with a reporter from JIEFANGJUN BAO on 24 February, this responsible person said: Our country practices compulsory military service. Fighters join the services to perform their duties as prescribed by law, and there must not be any doubt about this. There is no contradiction between doing one's duty and enjoying certain preferential treatment awarded by the country and the people. Every country in the world today which practices compulsory military service, including some socialist countries, clearly stipulates that servicemen or their families be given preferential treatment. Our country has all along given preferential treatment to conscripts and their families. Each year, young people of suitable age meeting the requirements of conscription total several tens of millions, while the actual number conscripted is slightly more than 1 percent. Under this circumstance, it is completely reasonable for those who are not conscripted to play their part by giving special care to the conscripts. Particularly, in view of the rapid development of the commodity economy, the avenues for employment and becoming well-off have been increasing in the localities. After the youths join the services, the income of their families is bound to drop. This makes it all the more necessary to award them certain compensations through special care. Even now, there are some comrades who consider doing one's duties and enjoying preferential treatment as conflicting, and whenever they hear that the standard of special care at a certain unit is high, they will refer to it as "hiring." Such mentality must be changed.

This responsible person held that during the last few years, the standard of special care in the localities has been raised, and the forms of special care have become more diversified. This is a normal phenomenon. The so-called "wages" is just another new form of special care for conscripts. Although "wages" are paid monthly, they do not have the actual meaning of wages.

According to this responsible person, the prevailing standards of special care in the localities are inconsistent, and the gap is relatively wide. This is an inevitable situation. We can only ask the localities to assure that the living standard of the fighters' families will not be lower than that of the general public in the same area when they implement the special care policy. We cannot ask them to unify the standards and methods of special care. On this matter, the situation should also be based on the realities of our country.

Preferential Treatment for Servicemen Viewed
HK251535 Beijing RENMIN RIBAO in Chinese
16 Feb 88 p 4

[Report by Zhang Hongkui (1728 3163 7608): "China's Work of Giving Preferential Treatment to the Family Members of Martyrs and Servicemen Develops in the Course of Reform"]

[Text] In the 9 years since the 3d Plenary Session of the 11th CPC Central Committee, given the circumstances of limited finance, the state funds for giving preferential treatment to the family members of martyrs and servicemen were 5.19 billion yuan and the preferential treatment expenses in 1987 recorded an increase of some 200 percent over those in 1978.

Over the past few years, urban and rural mass service organizations for supporting the Army and giving preferential treatment to the family members of martyrs and servicemen have developed very quickly. According to incomplete statistics, some 552,000 such service organizations have been set up and some 3.76 million people have participated in the activities of supporting the Army and giving preferential treatment to the family members of martyrs and servicemen. They have helped the family members of servicemen resolve difficulties in livelihood and supplied and repaired for them some 154,000 houses.

Governments and civil affairs departments at all levels have shown even more cordial concern for the Yunnan and Guangxi border defense combat troops and their family members. According to statistics, over the past few years, the Central Authorities and all places throughout our country have presented 20 million gifts to the Yunnan and Guangxi border defense troops, sent some 10 million comfort letters, and helped the PLA units solve many practical problems. To carry out the strategic policy decision on cutting down the numbers of servicemen by 1 million, over the past 3 years, approximately 500,000 cadres throughout the Army have been transferred to local civilian work. Under the circumstances of structural reform and reduction of personnel, the localities have been vigorously making arrangements for the cadres transferred to civilian work as a practical way of supporting reform and building the Army and adopted many preferential policies. Since 1985, our whole country has received and made arrangements for some 35,000 retired Army cadres.

In the past, the civil affairs departments emphasized resolving the living difficulties of the family members of martyrs and servicemen to whom preferential treatment should have been given but are now laying stress on helping them develop production, get rid of poverty, and get rich. After several years' work, our whole country has given assistance to some 4 million households deserving of preferential treatment, 1.2 million of which have become specialized households or rich households.

Over the past 9 years, our country has readjusted its preferential method five times for the family members of servicemen after the death of these servicemen and emphasized giving preferential treatment to the family members of martyrs; and has twice readjusted the pensions for injured and disabled servicemen. At present, 840,000 injured and disabled servicemen throughout our country are receiving state pensions and such pensions defrayed by the state amount to 200 million yuan a year.

The state has also solved the problem of remuneration for the Red Army veterans in an all-round and planned way. In 1979, in coordination with units, including the Ministry of Finance, Ministry of Commerce, Ministry of Public Health, and the General Political Department, the Ministry of Civil Affairs jointly worked out a method to solve the problems of the political life and livelihood problems of the demobilized Red Army veterans so that some 6,000 such veterans throughout our country can enjoy public health services and regular fixed subsidies. In 1984, the Ministry of Civil Affairs, Ministry of Public Health, and General Political Department jointly solved the problems of the titles and remuneration for the veterans of the West Route Army of the Red Army. In 1986, the Ministry of Civil Affairs and Ministry of Finance again jointly issued a "Circular on Properly Solving the Problems of Difficulties in Livelihood for Red Army Personnel Scattered Here and There," designated the 150,000 Red Army fighters scattered among the people on account of injury, sickness, or defeat in a battle as "scattered Red Army personnel," and regularly issued them fixed subsidies so that these old people's livelihood in their remaining years can be guaranteed.

Over the past few years, preferential treatment work units have also developed in the course of reform. At present, there are 27 sanatoriums throughout China for the revolutionary injured and disabled servicemen, 28 convalescent hospitals for demobilized servicemen who suffer from chronic diseases, 942 homes for disabled servicemen, and 24,709 hospital beds. China has also built some 4,567 martyr memorial buildings.

Commentator Stresses Emancipation of Mind
HK250931 Beijing JIEFANGJUN BAO in Chinese
10 Feb 88 p 1

[Commentator's article: "Grasp Firmly the Focal Point of the Emancipation of the Mind"]

[Text] Deepening and speeding up reforms and opening up to the outside world is the main theme of the 13th CPC National Congress. To achieve these objectives, we face a problem of further enhancing our understanding and unifying our thinking. Our party has always stressed that to carry out reforms and opening up, we should emancipate the mind. In his article published on 6 February, Comrade Zhao Ziyang further elucidated that while studying the documents of the 13th CPC National Congress, we should firmly grasp the focal point of the emancipation of the mind. To implement the spirit of

the 13th CPC National Congress, and speed up and deepen reforms in the Army, we should effectively comprehend and master the essence of this idea.

When we review the history of the 9 years since the 3d Plenary Session of the 11th CPC Central Committee, it is not difficult for us to discover that historical changes in this period have been reflected not only in the tremendous achievements of our economic construction, but also in the great emancipation of the national spirit. This has given rise to many new ideological concepts which are in accord with the trends of development of the society. The past 9 years has marked a process of the deepening of reform and opening up, and a process of the emancipation of the mind. Without the emancipation of the mind, it would be impossible for us to promote reform and opening up, and to have all the achievements which we have made to date. Emancipation of the mind is not only a harbinger and basis, but also a driving force and result of reforms and opening up. In the past, we relied on the emancipation of the mind to carry out reform and opening up. In the future, we should also further rely on the emancipation of the mind to deepen reforms and opening up, and to vigorously develop productive forces.

Emancipation of the mind cannot be separated from education in both practice and theories. When we made a certain step in reform, some comrades may have failed to understand its significance. However, after receiving practical education, and actually witnessing the great success of reforms and opening up, they eventually accepted the new things which they had never dreamt of accepting in the past. In the past, we mainly relied on our policy to solve problems. We paid more attention to perceptual knowledge than to rational knowledge. Theoretically, we were not clear why in the present stage, China should implement this kind of policy rather than other kinds of policies. The theory on the initial stage of socialism was proposed at the 13th CPC National Congress, and our perceptual knowledge was upgraded to rational knowledge. This was a new leap in theory. It was also the result of the emancipation of the mind, and a new starting point of the further emancipation of the mind in the future. While studying the documents of the 13th CPC National Congress, we must focus on solving the problem of the emancipation of the mind. Whether we have done well in further promoting the emancipation of the mind should be regarded as a criterion for testing the result of our study of the documents of the 13th CPC National Congress.

Like people throughout the country, officers and soldiers have also undergone a process of continuously emancipating their minds. After profoundly studying the line, guiding principle and policy of the party, they consciously receive practical education in reform. They have not only deepened their understanding of the reforms and opening up in the localities where they are stationed, but also promoted reforms in the Army. In recent years, our Army has done a lot of work to bring

order out of chaos, and to strategically change our guiding thought for national defense buildup. We have basically completed the work of reducing our troops by 1 million. We have made important achievements in the reorganization and reform of our troops. We have scored new progress in the revolutionization, modernization, and regularization of the Army. All these are the results of the emancipation of the mind. Practice has proved that only by emancipating the mind can we become promoters of reforms. Without emancipating our minds, it is impossible for us to take a new step in reforms.

To emancipate our minds, we should stick to the spirit of seeking truth from facts. With the development of practice, we should constantly make progress in our reforms. Emancipation of the mind is not a job which can be accomplished once and for all. It cannot be completed overnight. Through studying the documents of the 13th CPC National Congress, making a practical analysis, and studying our national and military conditions, our cadres and soldiers have made a great step in the emancipation of their minds. However, emancipation of the mind is only a process. We might have succeeded in emancipating our minds with regard to one issue. However, this does not mean that we have also succeeded in emancipating our minds with regard to other issues. Some problems of understanding have been solved. New situations and new problems will constantly occur in the course of reform and opening up. This has demanded that we proceed from our practical reality to further emancipate our minds. At present, we have encountered some problems. This has also demanded that we proceed from the practical conditions of our Army, and explore boldly. For example, we have encountered the following problems. While taking the modernization of the Army as a key link, how should we deepen the reforms of the Army in various aspects? Under the condition of developing commodity economy, how should ideological and political work be done in the Army? How should we increase the transparency of the work of cadres? On the basis of carrying forward the fine tradition of the Army, how should we carry out reform, blaze new trails, and make a distinction between the similarities and dissimilarities of the reforms in the Army and local governments? We are confronted with such questions. As long as we uphold the principle of seeking truth from facts, and further emancipate our minds, we will continuously make new achievements. The reforms in the Army will be continuously deepened, and we will score still greater success in this regard.

Military Auto Industry To Serve Civilian Needs
HK250558 Beijing CHINA DAILY in English
25 Feb 88 p 2

[By staff reporter Tian Ying]

[Text] China's military auto factories, which have exclusively served the country's armed forces for the last 30 years, are now applying their well-developed technology to the development of civilian vehicles.

These factories can now manufacture more than 10,000 speciality vehicles, including passenger buses, ambulances and food transporters. More than 70 percent of the products are for civilian use.

China's ordnance factories started to shift part of their production to civilian needs in the early 1980s. The military auto industry, employing 40,000 people and staffed by qualified technical personnel, now owns technology and equipment for manufacturing key auto spare parts, including chassis, engines, gearboxes, steering wheels and brakes.

The No 1404 Auto Factory now produces 40,000 chassis for light-duty vehicles a year. Its production value and profits have doubled those achieved when the factory concentrated solely on military products.

Carburetors produced by the No 7430 Auto Factory are now used by many domestic auto industries and the quality of the products has met the State's required standards.

Brake hoses produced by another military factory are now used by the country's key auto enterprises, including No 1 Auto Factory in Changchun City, Jilin Province, No 2 Auto Factory in Shiyan City, Hubei Province, and Nanjing Auto Manufacturing Factory in Jiangsu Province. The products have also entered the United States market.

Nine ordnance factories which have switched to auto refitting can now refit a total of 5,000 vehicles a year between them. Three have been designated by the State as the country's major auto refitting enterprises.

Buses refitted by the factories have been exported to the Democratic People's Republic of Korea.

The country's military auto industry is now focusing on technical renovation and preparations for manufacturing speciality vehicles. The industry's annual auto production capacity is expected to reach 20,000 in two years. Efforts will also be made to lower production costs and set up repair and parts supply centres.

Machinery, Electronic Exports Increase
HK251549 Beijing ZHONGGUO XINWEN SHE
in Chinese 0813 GMT 23 Feb 88

[Text] Beijing, 23 Feb (ZHONGGUO XINWEN SHE)—There has been a big increase in the export of China's machinery and electronic products. Last year's export volume of such products amounted to \$3.854 billion, an increase of 55 percent over 1986. The export volume of machinery and electronic products constituted 9.6 percent of the country's total export volume.

At the same time, the export structure of machinery and electronic products has changed, with 10 products including wrist watches, radio-cassette recorders, television sets, ships, hardware for daily use, and complete sets of equipment becoming big export items. In addition, the export of China's machinery and electronic products to North American and West European markets has increased particularly rapidly. Some enterprises have begun to explore possibilities of setting up factories abroad.

Currently the government departments concerned have approved the establishment of export-based enterprises and 690 enterprises enjoying expanded decisionmaking powers in trading with other countries. Hence, a production system of China's machinery and electronic products for export has begun to take shape.

It has been reported that this year China will introduce a contract managerial responsibility system in the export sector of China's machinery and electronic products, set up export enterprise groups in a step-by-step way, strengthen the combination of industry and commerce, and implement an agency system.

According to the estimates by authoritative persons here, this year the targets for export of China's machinery and electronic products set by the Seventh 5-Year Plan can be completed 2 years ahead of schedule and the proportion of export volume of such products in the country's total will hit the 10 percent mark.

Benefits of Shareholding System Endorsed
HK250845 Beijing GUANGMING RIBAO in Chinese
6 Feb 88 p 1

[Report by Zhao Shibao (6392 4258 1405): "Theoretical Workers Say Shareholding System Is Better Way of Giving Expression to Public Ownership"]

[Text] The 4-day "Symposium on Shareholding—Theory and Practice" ended in Zigong City, Sichuan, on 1 February. More than 130 theory-related and practical workers attended the meeting. The comrades attending the meeting stressed that the shareholding system is a relatively good way of realizing the socialist system of public ownership. Its appearance fits in with the varied objective demands of economic interests in the current stage of our country.

Many comrades pointed out that the shareholding system is a natural product of the development of the commodity economy. It can serve capitalism and also socialism. In the past, as far as assets under the socialist system of public ownership were concerned, the greater the degree to which they were involved with public ownership, the lesser the attention shown them. There was a vague idea about the property right related to enterprises owned by all the people. There was also actually no property right. To deepen the reform of enterprises, it will no longer do to have no clear idea

about the ownership of the right of property. The shareholding system is a scientific means to handle the relations of the right of property. It personifies in the form of stock the property rights of the state, the enterprise, and the worker and is a way of organizing socialist property. Some comrades said that the shareholding system has three great effects in strengthening enterprise vitality. First, a change in the property right helps in affirming respective responsibilities, rights, and interests. Second, a unique form of the right of property paves the way for enterprise independence in operation and self responsibility for profits and losses. Third, through the operation of the mechanism of interests, the right of ownership as a basis stimulates the workers to show concern for enterprise assets. All these are difficult to achieve through contracting, leasing, and other patterns.

Whether an enterprise should have its own stock was the focus of debate at this meeting. Many comrades considered that the stock of an enterprise exists objectively. Through collectively applying state-owned assets, enterprise workers create new value. After the deduction of taxes handed over to the state and fees for using state-owned assets, what is left should naturally be collectively owned by enterprise workers. Actually, since the switcher from profits to taxes, enterprises have owned their own assets. Only this has not been presented theoretically and not been recognized legally. Therefore, recognition of enterprise shareholding is not a subjective fabrication, as far as the shareholding system is concerned. Many comrades said that the introduction of enterprise shareholding will not change the character of the enterprise. Enterprise shareholding and state shareholding both fall into the category of public ownership. The only difference lies in scope and form. Moreover, in enterprises involved with the shareholding system, the state can take the initiative to regulate the state's share of a stock through investment, share purchase, and other ways. Therefore, recognition of a stock in an enterprise will never turn all enterprises owned by all the people into ones owned by enterprises.

The meeting also studied conditions for the introduction of the shareholding system. Many comrades stressed that the introduction of the shareholding system involves the problem of the system. There is a need to carry out necessary reforms in macroeconomic management. First, we must allow the "separate flow of profits and taxes." This means that profits and taxes must each follow their own routes. Otherwise, the shareholding system cannot be carried out. Second, we must allow "a clear line of distinction between appropriations." Given the introduction of the shareholding system and the availability of a stock in an enterprise, only with the state clearly separating appropriations for an enterprise and its loans to it, can the relations of property with an enterprise be straightened out. Third, we must allow a "separation of administration and property." This means that the government's function of administration must be separated from the state's function of control

over property. Only in this way can we rule out administrative intervention by the government, thus enabling the shareholding system to become what it really is.

This meeting was jointly sponsored by 11 units, such as the Group on "Studies of Comprehensive Reform of Central Cities" related to the state's priority scientific research programs in the Seventh 5-year Plan; the Zigong Steel Casting Factory of Sichuan; the Sichuan Provincial Research Institute for Restructuring Economic Systems; the Institute of Research on Restructuring Economic Systems and Economic Control under the Sichuan Provincial Academy of Social Sciences; the Sichuan Provincial Planned Economy Research Institute; the Economic Research Institute of the Southwest College of Finance; the Editorial Department of JINGJI RIBAO; the Theory Department of SICHUAN RIBAO; the Zigong City Committee on Restructuring Economic Systems; the Editorial Department of the magazine JINGJI TIZHILGAIGE [Economic System Reform]; the Theory Department of GUANGMING RIBAO, and so forth.

'News Analysis' on New Economic Features
OW242327 Beijing XINHUA Domestic Service
in Chinese 0751 GMT 24 Feb 88

[News Analysis by XINHUA reporter Xu Yaozhong:
"The Four New Special Features Seen from the Statistics
Communique"—XINHUA headline]

[Text] Beijing, 24 Feb (XINHUA)—The ample facts and figures published in the Communique on Statistics of 1987 National Economic and Social Development show that the nation's production, construction, circulation, and foreign trade in 1987 were better than anticipated; and that fairly significant headway was made in restructuring the economic system. As a whole, the economic situation has four new special features:

First of all, major economic relations became more proportional and rational. An increasingly conspicuous contradiction in China's economic development in recent years has been the fact that total social demand is greater than total social supply, and this problem has attracted great attention from people within the economic circles at home and abroad. In 1987, this contradiction was somewhat alleviated. The rapid development of total supply can primarily be observed from the following: the GNP, which was 9.4 percent higher than the preceding year; the bumper grain harvests, the overall economic development in the rural areas, and the value of nonagricultural output having exceeded that of agricultural production for the first time—which shows that more commodities were available in the rural areas; and high, but balanced and coordinated industrial growth. As for the total social demand, the size of construction was put under control. Last year, state-owned enterprises' investment in fixed assets was 14.4 percent higher than 1986—the lowest increase since 1984. Furthermore, the increase of income of urban and rural residents slowed down. In recent years the state has

expedited the development of tertiary industry by regarding industrial restructuring an important part of economic development as well as by increasing investment in tertiary industry. Last year, substantial growth was registered in the volume of freights and businesses handled by transportation, postal, and telecommunications departments as well as in domestic and foreign trade. In recent years the development of agriculture, light industry, and heavy industry has become more proportional and rational, and so has the development of light and heavy industries within the industrial sector. Moreover, improvements have also been noted in such areas as revenues and expenditures, currency supply and demand, as well as in international receipts and payments. Generally speaking, the nation is still not economically well off; but, compared with 1986, the situation was improving in 1987. This shows that the nation's principle of stabilizing the economy and alleviating contradictions step by step is correct and effective.

Speedy but normal industrial production is another vivid special feature of China's economic development in 1987. Compared with the constant prices, the total industrial output last year topped that of 1986 by 16.5 percent, and if the output of industrial enterprises operated by villages or smaller areas, the growth was 14.6 percent. That was a substantial growth. Everyone knows that the high industrial growth in 1985 was universally regarded as "economic overheating," because it was largely achieved by importing large quantities of raw and semifinished materials with large amounts of foreign exchange. The growth in 1987, however, was different; it was achieved under the situation where import of raw and semifinished materials had been sharply reduced and the total amount of credits for working capital had been curtailed. Thus, while the growth was high, it was also substantial. The relations within the industrial sector were also well coordinated. This shows that economic stability and growth can be achieved simultaneously as long as we have correct policies.

Invigorating the economy by taking effective measures to arouse local initiatives is the third special feature of China's economic development in 1987, during which a breakthrough was achieved in promoting the various contract systems. Actual experiences show that contracts can invigorate the operation of large and medium-size enterprises because they can increase their profits, upgrade their technology, restructure their operative mechanisms, and optimize their organization. The separation of two powers—which is a new form of operation—has aroused the enthusiasm of both operators and producers and enabled enterprises to achieve good results in increasing production, efficiency, and revenues. Preliminary statistics released by relevant departments show that, in 1987, the industrial output of the nation's state enterprises operated with state budgets increased 11.3 percent over 1986, profits and taxes increased 9.9 percent, the amount of profits and taxes delivered to the state increased 6.7 percent, working capital was more effectively used, less capital was held

up by finished goods, and the amount of profits retained by enterprises increased by 11 percent. After the adoption of the contract system, these enterprises' revenues, which had been declining for months on end, began to rise monthly, noticeably alleviating their financial plight. This shows that the contract system is the most realistic choice the nation can make in integrating reform and development because it can ease economic contradictions and improve the economic situation.

The fourth important special feature of China's economic development in 1987 resides in the progress achieved in exercising overall control. Instead of pursuing arbitrary uniformity or rushing headlong into faddish action, each case was dealt with individually according to its specific situation. In industrial production, for example, attention was paid to supply and demand on the market, giving active support to production of popular goods in short supply and sharply curtailing the output of goods in excessive supply, especially those which were unsaleable. To control the scale of capital construction projects, measures were taken to guarantee the construction of the budgetary, productive, and essential projects, and restrict those which were nonbudgetary, nonproductive, and nonessential, instead of scrapping all of them indiscriminately. While curtailing the scale of capital construction, the state also paid ample attention to readjusting its investment, paying special attention to such essential projects as developing energy resources, building transportation facilities, and ensuring supply of raw and semifinished materials, showing flexibility in handling each individual case according to its merit. The measures for exercising overall control adopted last year also embodied the requirement for reform. Certain new attempts were made to coordinate the use of direct and indirect controls, making sure that economic stability was enhanced without obstructing the efforts to invigorate the economy by arousing local initiatives. The attempt to coordinate efforts to arouse local initiatives and efforts to exercise overall control was unprecedented, and it is a noteworthy experience of far-reaching significance gained in doing economic work last year.

Correctly understanding these new special features of economic development in 1987 and earnestly summing up last year's economic experiences are essential. From these special features we can find new ways to deal with new situations, strengthen our confidence, and win even greater victories of economic development.

XINHUA on Nine Statistics Communiques
OW260143 Beijing XINHUA Domestic Service
in Chinese 0756 GMT 25 Feb 88

[Text] Beijing, 25 Feb (XINHUA) — Title: Nine Statistics Communiques, the Annals of Reform by XINHUA reporter Yu Youhai

The Spring Festival has just passed, and the 1987 Communiqué on the Statistics of National Economic and Social Development of our country has been published. After celebrating the festival, people in cities and countryside alike are reading and discussing this statistics communiqué with great interest. Yet few of them have thought of the fact that it is the ninth statistics communiqué since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, and that the nine statistics communiqués altogether make up the annals of the explorations and progress so far made by our Republic in the course of reform.

During the Spring Festival period, the quality of meals on the dining table varied from family to family, and so did the people's clothes and the decorations in their houses. Accordingly, some were happy and smiled while others had complaints. For most people, however, there was no shortage of money to celebrate the festival. As calculated from the figures released by the 1987 statistics communiqué, every urban and rural resident had more than 284 yuan in his bank account at the end of last year. The people had a much better "economic backing," compared with their situation at the time close to the Spring Festival in the past. In 1978, the 29th year after the founding of new China, the average bank deposit of each individual in our country was less than 22 yuan. Not until the reform process began in 1979 was there a change in the situation. The balance in the savings accounts of urban and rural residents for that year, thought not included in the statistics communiqué, amounted to 28.1 billion yuan, averaging 28.8 yuan per individual. This showed a sharp rise of 30.9 percent above the preceding year. The statistics communiqué for the following year indicated a 4.6 percent increase of the people's savings deposits. Thereafter, all the seven ensuing statistics communiqués showed a double-digit percentage increase of this item, resulting in a 12-fold rise in the per-capita savings deposit during the 9-year period. In areas where people are becoming well off, widespread saving is also representative of their situation. The festival is joyfully celebrated and there is a large amount of savings. In the past, people dared not think of such achievements.

To our country, which is undergoing a drastic change, these achievements that people "dared not think of" as reflected in the statistics communiqués, each containing over 10,000 characters, is in reality like a single note in a musical composition. Besides this, the communiqués contain many other things that people dared not think of in the past.

The statistics communiqués, like other official documents, take a cautious attitude in dealing with things in the process of being explored. Their reflection of the progress made in reform usually lags behind the practical situation. In 1979, initial steps were taken to fix farm output quota for each household, expand the decision-making power of factories, use the market as a mechanism of regulation, and open to the outside world, but

these were not included in the statistics communiqué for that year. The communiqué only generally mentioned reform for the first time and only in one place when stating the principle of "readjustment, reform, consolidation, and improvement." At that time, many people were obsessed with a lingering fear when they saw the system of farm output quota fixed on a household basis and the expansion of decisionmaking power of factories, both of which had previously appeared in the 1960's, quickly stifled as revisionist. Seeing that the people's commune system was changed to farm output quota fixed on a household basis, some even sighed with the feeling that "30 long years have been spent for the revolution, but the situation turned back to the preliberation time overnight." There were quite a few people condemning the establishment of special economic zones as developing the "colonial economy." Indeed, a number of cadres and masses dared not think of the implementation of such reforms. Subsequent facts proved their effectiveness in consolidating and developing the socialist system, and such clauses as "try out the method of delegating more decisionmaking powers to enterprises" and "carry out market regulations" appeared in the statistics communiqué of 1980; in referring to the system of fixing production quotas based on households, the statistics communiqué of 1981 used the clause "build and improve the various forms of the production responsibility system" for the first time. This was changed to "spread and improve the output-related system of contracted responsibilities" in the statistics communiqué of 1982. It was the statistics communiqué of 1983 that affirmed the "system of contracted responsibilities on the household basis with remuneration linked to output." The mention of special economic zones in a statistics communiqué was comparatively late. Referring to them for the first time, the statistics communiqué of 1984 said: "The industrial output value of the four special economic zones of Shenzhen, Zhuhai, Shantou, and Xiamen rose by 51.5 percent over the previous year."

From the nine statistics communiqués it can be found that more and more reforms unthinkable to our predecessors were included in later communiqués. Here are some of the forms of reform: The statistic communiqué of 1983 mentioned various forms of specialized households, economic associations, and the running of state farms by the families of staff and workers, and that of 1984 reported the practice of the investment responsibility system and the system of contracting through public bidding by the building industry, the changing of small state commercial enterprises into state-owned but collectively run ones, as well as the practice of allowing such state commercial enterprises to become collective ones or to be run by individuals under leasing contracts. The structural reform of the circulation of materials aimed at pricing reform and expanding the role of market regulation was written into the statistics communiqué of 1985, and such things as the plant manager responsibility system, lateral economic association, the opening of science and technology markets, as well as the

enforcing of the "Patent Law" were reported in the statistics communique of 1986. The statistics communique of 1987 reported the introduction of the contracted management responsibility system in large and medium-sized state industrial enterprises, the changing of small enterprises into collectively run ones, and the leasing out of such industrial enterprises to individuals.

The increasing number of "unthinkable reforms" cast off the doubts of many cadres and people on the question of true socialism which had accumulated over the years. Later, these cadres and people played a great role in developing the productive forces.

If somebody had predicted that our national economic growth could double and redouble in the past 9 years, nobody would have believed him, but the published nine statistics communiques have shown the public that the prediction is becoming facts. Comparing the figures provided by the communiques with those in the 26 years of socialist construction which began from 1953 to 1978, we can easily find that almost every endeavor at creating material wealth in this land of the Chinese nation broke the record.

In the past 9 years grain output in China increased on an average of 10.85 million metric tons a year, a gain of more than 100 percent over the yearly average increase of 5.42 million metric tons during those 26 years.

In the past 9 years cotton output in China rose on an average of 225,000 metric tons a year, a gain of nearly 6 times over the yearly average increase of 33,000 metric tons during those 26 years.

In the past 9 years output of pork, beef, and mutton in China climbed at an average of 1.183 million metric tons a year, a gain of 5 times over the yearly average increase of 199,000 metric tons during those 26 years.

In the past 9 years the annual increase in the output of oil-bearing crops averaged 1.115 million metric tons. This was more than 27 times the average increase registered in the preceding 26 years, which amounted to 39,000 metric tons only.

The annual increase in the output of steel averaged 2.69 million metric tons in this period, 1.3 times the average increase registered in the preceding 26 years, which was only 1.17 million metric tons.

In this same period, the annual increase of electricity average 26,900 million kwh, 1.8 times higher than the average increase registered in the preceding 26 years.

The annual increase in bicycle production averaged 3.597 million, 10 times the average increase registered in the preceding 26 years, which averaged only 0.325 million.

Some of the items contained in the nine statistics communiques, such as chemical fiber, television sets, washing machines, tape recorders, and refrigerators, are not comparable because they were either nonexistent or else their volumes were too small at the beginning of the 9-year period and they became large only after the reform was introduced.

In the nine communiques, two indexes provide a striking contrast between the early and later period and give an overall picture of the growth of China's economic strength and the improvement of the people's living standards. They are the national income and the urban and rural consumption level. During the 9-year period, China's national income grew at an annual rate of 8.8 percent, 47 percent higher than the average growth rate registered in the preceding 26 years, which was only 6 percent. The consumption level grew at an annual rate of 6.7 percent, 3 times the average annual growth rate registered in the preceding 26 years, which was only 2.2 percent.

The nine statistics communiques, which are also China's reform annals, point to a distinct general trend: The emancipation of the minds has brought about the liberation of productive forces, which further pushes forward the emancipation of the minds. The newly published 1987 communique also points out another development: the further the reform advances, the more contradictions it will cause; and the more contradictions it causes, the deeper the reform must go. Perhaps precisely because of this development, when discussing the problems encountered, the latest communique gives greater details on the progress of reform than did the previous eight communiques: Sixty-eight percent of the state industrial enterprises have introduced the factory director responsibility system, 82 percent of the large and medium-sized state industrial enterprises and over 60 percent of the large and medium-sized state commercial enterprises have introduced contracted management responsibility system, 46 percent of the small state industrial enterprises and 80 percent of the small state commercial enterprises are operated by collectives, leased out, or managed by individuals under contract, and 53.2 percent of the steel products formerly distributed by the state under a unified plan are being sold in the market of the means of production....

With the ushering in of the year of the dragon, the great tide of reform is surging ahead with a strong momentum. The situation at the beginning of the year indicates that the 10th statistics communique, the communique for 1988 which will be released next year, will add a new brilliant page to our reform annals.

Article Argues Against Relaxing Tax Policy
HK241428 Beijing GUANGMING RIBAO in Chinese
6 Feb 88 p 3

[Article by Wu Shouguo (6762 1343 0948): "Talking About Tax Policy and the Imbalance between Supply and Demand"]

[Text] Some comrades hold that our existing tax policy is too tight, and may lead to a decline in production and upset the balance between supply and demand; and that to positively maintain the balance between supply and demand, we should further relax the tax policy. I feel that it is necessary to comment on this opinion.

We here first analyze the crux of the imbalance between supply and demand rather than discuss whether the tax policy should be relaxed or not. The imbalance between supply and demand in our country is now mainly reflected in two aspects: One is the imbalance in the general quantity of supply and demand; and the other is the disproportion of the supply-demand structure. The first problem is caused by the excessive distribution of the national income; and the second is caused by the irrational distribution structure, including the fund distribution structure and the resources distribution structure. The fundamental ways to overcome the imbalance between supply and demand are: First, strengthening the all-round control over the distribution of the national income, especially the control over the budgetary appropriations and bank credit; second, adjusting the distribution structure, especially the resources distribution structure. A rational distribution structure will effectively mitigate the contradiction between supply and demand, and an irrational distribution structure will lead to a vicious cycle and intensify the contradiction between supply and demand.

Further relaxing the tax policy and lowering the tax rates will not be favorable to the adjustment of the distribution structure, and will even worsen the structural imbalance.

In the general structure of our national economy, our basic industries and raw material industries lag behind the processing industries; and the fuel, electricity, and transport industries are still far from meeting the needs of the development of the national economy. To ensure the balanced and coordinated development of the national economy, it is obvious that we cannot rely on the self-development of the enterprises in these trades; instead, for a certain period, we must concentrate large amounts of funds through the state financial department to strengthen state investment in these industries. State finances form an important economic lever to regulate the national economy. The State Financial Department has to regulate the enterprise profit level through fixing different tax rates so as to achieve the purpose of regulation production. On the other hand, through the distribution of funds, the State Financial Department also regulates the distribution structure. If the State Financial Department only controls a very small proportion of the national income, its function in adjusting and regulating the national economy will be weakened.

At present, various economic regulatory mechanisms are still imperfect. It is not proper to leave too many financial resources in the hands of the enterprises. First, the enterprises still lack an effective mechanism to control their short-term behavior. A loose tax policy may

once again give rise to the swelling of consumption funds, which has just been brought under control. Second, we still do not have an effective regulatory mechanism to control capital investment. Under the present system of the banks supplying all circulating funds, the investment in capital construction will certainly continue to swell, thus widening the gap between the supply and demand of circulating funds. Third, our management over the national economy remains at a low level, and it is hard to avoid the phenomena of blind investment and duplicated projects in the field of capital construction. Fourth, for a long time, economic construction in China has been affected by the administrative barriers between different localities and departments. If the state does not appropriately concentrate certain power over economic construction but gives too large a share of power to the enterprises, the development of the basic industries and the raw materials industries which are not so lucrative, and the energy and transport industries which have a great bearing on the national economy and always concern more than one region, will certainly be further affected, because the enterprises which have more money in their hands will lack interest in investing in these industries and the state will lack sufficient money even though it desires to increase investment. As a result, the structure of the entire national economy will be further worsened.

Women Demand Equal Employment Opportunities
OW251132 Beijing XINHUA in English 0850 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—An All-China Federation of Trade Unions official in charge of women's affairs has called for better policies to protect women working in the country's urban areas.

"Even with the job market becoming more open," the official said, "many firms are still reluctant to hire women."

A 660-factory, 15,000-worker survey conducted by the federation in 11 provinces, autonomous regions and municipalities last year revealed only 5.3 percent of the employers were willing to hire women for jobs that can be done by either sex.

In the same survey, of the 89 textile mills surveyed, 75 percent said they preferred not to hire women.

Concerning job assignments for graduates of universities and technical secondary schools, some employers said they prefer less-qualified men to fully-qualified women.

"This dual standard has created a crisis for women working under contract who are of marriage and child-bearing age," the official said.

"Many enterprises feel the state policies governing maternity leave are a burden," she went on, "because they think it affects the firm's economic efficiency."

"The whole society needs to be aware of this problem and help to solve it," she said, suggesting the state should give enterprises which employ a lot of women more breaks, and allocate more funds to subsidize maternity leave.

She also called on trades like commerce, catering and tourism to hire more women and offer a more flexible work structure.

Journal Views Centralized Land Management
HK250823 Beijing JINGJIXUE ZHOUBAO
in Chinese 7 Feb 88 p 3

[Article by Tang Fangjie (0781 2455 2638): "Centralization of Land Management: Difficulties and How to Deal with Them"]

[Text] The current scattered and egalitarian method of household land management is the fundamental reason for the stagnation in China's agricultural development and the slow development of commercialization and socialization of agricultural production over the past 2 years. Therefore, it is necessary to change this land management pattern and replace it with relatively centralized land management. This is an objective demand of the rapid development of China's agricultural economy and the rapid development of modernization of the entire national economy.

However, the centralization of land management is restricted by a series of objective factors. Judging from China's rural situation, there are five major difficulties for centralization of land management. First, the course of centralization of land management will naturally be a course of shifting rural labor to nonagricultural undertakings. The pace and scale of centralization is directly restricted by the pace and scale of the shifting of rural labor, and the pace of the shifting of rural labor is mainly affected by the development of nonagricultural undertakings in rural areas. In China's rural areas, the level of development of nonagricultural undertakings is rather low, and the risks are great. Since these undertakings are unable to provide stable and high incomes and more employment opportunities, they are seriously restricting the progress of centralization of land management. Second, the quality of China's rural labor is generally lower. For the following two reasons, this is obstructing the relative centralization of land: 1. There are comparatively fewer peasants skilled at managing modern commodity agriculture. Most peasants have accumulated only limited farming experiences and do not have a good sense of commodity, market, and competition. They lack the basic quality for scale management. Most of the households specializing in plant farming have adopted extensive and rough methods to expand production. This is a proof of this. 2. The peasants, whose scientific and cultural levels are comparatively low, have not yet grasped

the basic techniques for engaging in nonagricultural production. Thus, they have fewer opportunities and less courage to engage in nonagricultural production. Third, compared with city residents, the peasants have nothing except the "land." Land is the only "material benefit" for the peasants. When engaging in nonagricultural production, the peasants will have to take greater risks than in agricultural production. Under the condition that the state and society are still unable to provide a basic guarantee for the peasants in their daily life, the peasants will not easily give up the land, which is their "base." Fourth, grain is the most basic means of subsistence. Whether the peasants can get a stable supply of their "grain rations" will be an important factor deciding whether they will leave the land and engage in nonagricultural businesses. Under the condition that China's grain output is still low and unstable and no breakthroughs have yet been made in grain production, the question of "grain rationing" will continue to be a hidden worry of the peasants when they want to leave their land. Fifth, even if the income from nonagricultural businesses is rather attractive compared with the income from agricultural production, the peasants will not necessarily give up their land. This is because whether they give up their land is not entirely decided by the differences in economic income. It is also decided by other noneconomic factors, such as the influence of traditional culture.

What merits attention is that we will face the abovementioned difficulties for a long time in the course of centralization of land in our country. Therefore, we must not attempt to eliminate all obstacles in the course of centralization of land management in a short period but must make every possible effort to weaken the roles of the abovementioned factors. The government's policies for promoting centralization of land management should consist of comprehensive macroeconomic control measures covering all fields. In our opinion, they should generally include the following points:

1. It is necessary to vigorously develop nonagricultural undertakings in rural areas, especially to promote the development of township and town enterprises. Township and town enterprises should mainly develop the agricultural and sideline products processing industry, mining industry, and the like. Most rural industries in our country should avoid entering into competition with urban industries, but should become supplements to the latter.
2. It is necessary to carry out flexible employment policies both in cities and in the countryside, open both urban and rural labor markets, and encourage population flow between town and country and among various regions to create conditions for the peasants to engage in nonagricultural production.
3. It is necessary to perfect the laws and regulations on land management, encourage specialized peasant households to carry out scale management with relative centralization of land, and establish a land rent levy mechanism, so as to avoid such phenomena as wasting land and rough management.

4. It is necessary to vigorously develop rural educational undertakings, promote agricultural science and technology, and perfect the science and technology popularization system.

5. It is necessary to seek more ideas on relatively centralized management of land and realize centralization through various channels. It is necessary to ensure that the specialized peasant households really have good prospects of gain.

6. Among the specialized peasant households, the government should mainly support those with high productivity and economic returns and those which have established a certain scale of management system so as to promote the relative centralization of land management through their assistance.

Commentator on Keeping Art, Literature Policies
HK250620 Beijing CHINA DAILY in English
25 Feb 88 p 4

[By CHINA DAILY commentator]

[Text] Judging from what Chinese leaders have said during recent meetings with intellectuals, the public senses that this year they are attempting to keep policies regarding art, literature and theoretical studies in the various fields of social science on a more even keel.

Despite quite a number of significant events in the political arena last year, the Communist Party leadership was able to maintain fixed policies in these areas, which prevented political shifts from interrupting creative work and academic debate.

This, of course, was good. And the policies that have brought about good results should stay on the same track.

By and large, the 1987 art and literature harvest was a good one, with new films winning more prizes abroad ("Old Well" in Tokyo and "Red Sorghum" in West Berlin, for instance), and a much larger number of new works offering fresh entertainment to people from all walks of life. The nation's Central Television Station ran 350 domestic TV dramas, almost one a day. However, about half turned out to be mediocre, according to audience surveys.

The managerial reform of artists' organizations continued, reducing the demand for public subsidies by publishing more books or putting on more performances for grass-roots communities.

Artists in this country have been highly sensitive to politics. They still fear policy changes because they were frequently victims of political movements under ultra-leftist influence in the past. The bitter memories of the 1966-1976 "Cultural Revolution" remain and require continued reassurances in word and deed to be wiped out.

To protect artistic freedom what needs to be done first of all is to prevent interference from above in creative activities—such as telling writers what to write and arbitrarily sticking political labels on their works.

In his speech at a national art and literature work conference in 1979, Deng Xiaoping called for the avoidance of such interference as long as art and literature remained in the service of the interests of the people and did not go against the constitution, and the past years of reform have witnessed a gradual improvement in this respect.

The leadership has again pledged its commitment to the non-interference principle and "letting a hundred flowers bloom." It has also acknowledged that there is no need for all creative people to have a single model as to how to serve the people. All this should result in more concrete progress in ensuring artistic freedom.

Under more enduring policies to strengthen this freedom, artists could doubtless have done even better in reviving the nation's time-honoured culture and adding colour to the lives of one billion people.

Artistic freedom is good not just for the imaginative. And Chinese people value this freedom because it can benefit their entire society.

Commentator on Reforming Literature, Art
HK250923 Beijing GUANGMING RIBAO in Chinese
9 Feb 88 p 1

[Commentator's Article: "Improve and Strengthen Party Leadership Over Literature and Art"]

[Text] Since the 13th party congress, literature and art circles comrades have been full of joy, with an upsurge in their enthusiasm for creation. Meanwhile, the reform of the literature and art system has also been developing gradually. This is a gratifying phenomenon. To create a still better environment for the vigorous growth of literature and art there is a need to further improve and strengthen party leadership over literature and art.

Our party has all along attached importance to literature and art, treating such as an important force in building socialism. Our party has close ties with literature and art workers. In years of war or in turbulent times with ultra-Left thinking on the rampage, literature and art workers have always been faithful to the party, sharing its joys and sorrows and, in unified struggle, ushering in the new era of socialist construction and the new stage in

literature and art development. Some defects really have existed in party leadership over literature and art and these defects have hampered the further development of literature and art. This needs sorting things out and improvement.

Party leadership over literature and art chiefly has to do with leadership in regard to guidelines and policies. We must realistically carry out the party's literature and art guidelines in the stage of socialism and create a good environment for literature and art to thrive. To develop literature and art we must maintain a development guideline with long stability. The storms or troubles since the founding of the PRC have often caused literature and art circles to be the first to suffer. Literature and art workers are therefore relatively sensitive. We must take full consideration of this and employ measures which give literature and art workers a realistic sense of security. It is necessary to oppose erroneous political thinking, but problems related to literature and art creation and literature and art theory cannot be freely raised to the political plane. We must protect exploration and creation in literature and art, just as we protect economic theory-related work. Where mistakes and problems appear in literature and art creation, provided there is no violation of the law, a solution can only be sought through normal literature and art criticism, discussion, and debate. The matter of being right or wrong, good or bad, should be left to the judgment and choice of the masses of readers and people. Party leaders must exercise prudence in expressing their opinions on literature and art problems. Their views on specific works can only be treated as given schools of thought.

Therefore, to improve and strengthen party leadership over literature and art we must solve the longstanding problem of excessive intervention, excessive administrative orders, and excessively concrete controls. Literature and art creation is a most individualistic mental activity. Full respect should be shown for the individual labors and the pioneering spirit of artists. For the party to control literature and art is for it to take charge of major issues, guide the direction, and retain a hold on guiding ideas and the "two fundamental points" of upholding the four cardinal principles, and upholding reform and openness. We cannot exercise control in a too excessive and too specific manner. In fact, many concrete problems must be solved by the literature and art circles themselves through discussion. Carrying controls to excess only results in things not being taken care of properly and becoming out of control. As literature and art is a complicated mental activity, party control over literature and art is also a relatively complicated problem. There is the need for exploration and study. As far as party experience in controlling literature and art in a socialist state is concerned, where things are controlled

in too concrete a manner, failure is often the result. In the 30-odd years since the founding of the PRC we have launched some movements and criticized some works in the literature and art field. As we look back now it seems that what was done was a complete mistake, or failed to bring the expected results. Regarding party leadership over literature and art, we must learn from this lesson.

To improve and strengthen party leadership over literature and art also involves the problem of respecting the laws governing literature and art. Literature and art creation, literature and art control, literature and art operation, and so forth all have their own laws. By party control over literature and art we mean becoming acquainted with these laws, studying them, respecting them, and behaving according to objective laws. This requires literature and art leaders to further emancipate their thinking, continuously study new things, pioneer new concepts, and study new conditions. Only by emancipating the mind can we release the productive forces of art and guide and stimulate the development of literature and art undertakings.

To improve and strengthen party leadership over literature and art we must also pay particular attention to the relations between party workers, especially leading cadres, and literature and art workers. Some among our party cadres concurrently take charge of literature and art, or work in literature and art departments. These comrades are all good ones, but some do not know much about literature and art. They do not have an adequate knowledge of the laws governing literature and art creation and operation, or they just know individual subjects and are not acquainted with other fields. Involved here is a task of learning humbly and being good at exercising leadership and uniting with comrades. To improve and strengthen party leadership over literature and art, we must properly solve this problem. We must lend an ear to opinions from all sides. We must become bosom friends with more comrades in literature and art circles. We must seriously seek an improvement in the methods of leadership.

To improve and strengthen party leadership over literature and art has also imposed a still more exacting demand on the masses of literature and art workers. As early as 1980 Comrade Deng Xiaoping said: "Literature and art circles have just called a congress. As we say, there should be no intervention in matters of what to write and how to write. This only adds to the responsibility of literature and art workers and the demands imposed on them." We hope that the masses of literature and art workers will strengthen unity, get deeply involved with life, and create better and more works reflecting the spirit of the era, in order to do justice to the heavy expectations of the party and the people.

East Region

Jiangxi Measures To Speed Economic Development

OW251411 Beijing XINHUA Domestic Service
in Chinese 0018 GMT 24 Feb 88

[By reporters Huang Qizhuang, Yang Jian]

[Excerpts] Nanchang, 24 Feb (XINHUA)—“Promoting development through the open policy and expediting economic construction” is the basic policy formulated by the Jiangxi Provincial CPC Committee and government in carrying out the guidelines of the 13th CPC Congress. [passage omitted]

This policy has set in motion a series of actions throughout the province in the past 2 months. At a press briefing held at the provincial government, Governor Wu Guanzheng announced 35 preferential measures concerning interprovincial lateral ties, foreign investment, and development of Jiangxi's agriculture by other provinces. At the same time, he published the first list of development plans, including those for 22 mines and 28 agricultural projects, and openly invited domestic and foreign investors to bid for them.

After the press briefing, a Jiangxi government economic delegation led by Vice Governor Jiang Zhuping visited Shenzhen Special Economic Zone and Guangdong Province. The delegation brought with it a sincere message from the Jiangxi people: Jiangxi is willing to back up the export-oriented economies in the coastal areas. In addition to the announced preferential measures, Jiangxi will accord them more tangible benefits.

The Jiangxi provincial party committee and government also resolutely decided to open Jiangxi's “South Gate” by making Ganzhou Prefecture an experimental area and expanding its managerial authority in 10 economic sectors. In addition, they designated Xinyu city as an area where enterprises that have lateral ties with foreign investors and other provinces may benefit from the preferential measures. They also designated seven counties to engage in border trade on a trial basis. [passage omitted]

Shandong's Liang on Development Strategies

SK260655 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 25 Feb 88

[Text] The provincial forum on economic development strategies was held in Jinan on 25 February. The forum set forth the basic strategic principle for economic and social development from now to the end of this century. This principle is to set up a structure with focus on export-oriented economy in line with the measures for fully utilizing natural resources to guarantee the development of export-oriented economy, promoting internal

economic development with achievements in export-oriented economy, conducting cooperation with the places in the south of the province, and relying on the places in the north of the province to develop the export-oriented economy.

Su Yiran, chairman of the provincial Advisory Commission and chairman of the provincial Economic Development Strategic Committee, made a speech at the forum.

He said that we should attend to the following tasks in order to fulfill this basic strategic principle.

First, we should vigorously develop the commodity economy in order to build Shandong into a key base for agricultural, energy, chemical industrial, building material, and consumer goods production. Village industrial enterprises should positively develop processing and assembling with materials and specifications provided by foreign firms and compensation trade. The province should make the most of the advantage of cheap labor forces to extensively conduct economic and trade activities by providing other provinces and foreign countries with more labor services.

Second, we should enhance the range and quality of the work of opening the province to the outside world. The province should not only vigorously pioneer foreign markets but also boldly use foreign resources, including capital, technologies, skilled persons, equipment, and materials, in an effort to counteract its own weakness. In line with the measure for promoting the internal economic development with the achievements in export-oriented economy, we should promote the improvement of the industrial structure.

Third, the province should open itself to all directions throughout the nation. All inland provinces are welcomed to make investment and run enterprises in our province, particularly, enterprises which can create foreign exchange through exports, and labor-intensive or knowledge-intensive enterprises. Emphasis should be placed on conducting cooperation with Shanghai and Tianjin; studying the experiences in opening to the outside world gained by Guangdong, Fujian, Jiangsu, and Zhejiang; and developing lateral cooperation to upgrade the province's economic quality.

Fourth, development of the export-oriented economy should be made in a step-by-step manner. We should set up an industrial and technological structure with the three open coastal cities of Qingdao, Yantai, and Weihai as a guide, with the open economic belt of Shandong peninsula as a backing. The key orientation should be to serve the international market. Inland areas should provide the coastal areas with quality raw materials and semiprocessed products, and strive to export some of their products to the international market. The province should open to the outside world the eastern and western areas in the order of priorities, to gradually set up a provincewide export-oriented economic structure.

Su Yiran set forth: We should resolutely take the road of relying on scientific and educational forces to rejuvenate Shandong and give priority to the development of science, technology, and education in order to set up a provincewide export-oriented economic structure. All trades and professions throughout the province should try every possible means to accelerate the development of scientific, technological, and educational undertakings in order to promote the rejuvenation of Shandong's economy.

In his speech, Su Yiran set forth tentative ideas about the major targets for economic and social development by the end of this century, the improvement of the industrial structure, the establishment of the appropriate technological structure and technological policies, the development of productive forces, and how to bring into play the functions of key cities.

Liang Buting, secretary of the provincial party committee, and Jiang Chunyun, governor of the province, made speeches at the forum.

Comrade Liang Buting pointed out: The forum sponsored by the provincial Economic Development Strategy Committee on behalf of the provincial party committee is a preparatory meeting on making Shandong's policy decision on economic development. The study of the economic and social development strategies is a major study point of the party committees and governments at various levels in 1988. At present, Shandong is entering a stage of economic development at a high speed and with good results. Coastal areas should make the most of their advantages to export their products to foreign countries. The eighty three counties should develop agricultural production on a large scale.

Comrade Jiang Chunyun stressed: Economic and social development strategies are predeterminations for economic development. Shandong should grasp the favorable opportunity of the great international economic cycle to make great development in the economy. We should accelerate the intellectual development and open the gate of scientific and technological front in order to transfer skilled persons to town and township enterprises. We should emancipate our minds, renew our ideas, improve our understanding about the situation of the province, and strive to promote the economic development.

Also attending the forum were He Guoqiang, member of the Standing Committee of the provincial party committee; Zeng Chengkui, vice chairman of the provincial People's Congress Standing Committee; Mao Zhongchen, vice governor of the province; principal responsible comrades of various cities and prefectures; and specialists in the study of economic and social development.

Jiang Zemin Sends Plane For Shanghai Cadres
OW260111 Shanghai WEN HUI BAO in Chinese
17 Feb 88 p 1

[Excerpts] As the Chinese New Year was around the corner, anyone doing official business in other parts of the country would want to go home to be reunited with

their families. This year, however, large numbers of countrymen were returning from Hong Kong, Macao, and Taiwan to visit their families. This caused a great pressure on the communications and transportation services. On the night before New Year's Eve, nearly 200 businessmen, traders, and cultural and educational workers doing official business in other parts of the country were still at the Guangzhou airport waiting in vain to return to Shanghai.

Geng Kegui, a playwright on official business in Guangzhou, made a long-distance phone call to Jiang Zemin, informing the Shanghai mayor of their plight. After expressing his sympathies to the travelers from Shanghai, the mayor immediately left the dinner table and called the Shanghai Branch of the Civil Aviation Administration of China to discuss the matter. Then, even knowing that it meant a financial loss, he sent a special plane to fly all the way from Shanghai to Guangzhou to pick up the 140 or so Shanghai comrades working for the sake of Shanghai's economic and cultural development, so that they could come home for the new year. [passage omitted]

Witnessing the incident with his own eyes, a countryman, who made a special trip from Taiwan to Shanghai to mark his mother's birthday after leaving home over 40 years ago, said he was deeply touched by the way a mayor of great Shanghai cared for his people. [passage omitted]

Central-South Region

Guangdong's Experimental Reform Discussed
HK251451 Hong Kong LIAOWANG OVERSEAS
EDITION
in Chinese No 6, 8 Feb 88 pp 3-4

[Article by Lei Zhongyu (7191 0112 0056): "Guangdong: China's Largest Experimental Zone of Reform"]

[Text] Guangdong, the pioneer province in reform, is becoming the largest comprehensive experimental zone of reform in China, responsible for exploring the path for the future reform and opening up of China. This move has received close concern from people at home and abroad.

The CPC authorities concerned decided to designate Guangdong a comprehensive experimental zone of reform. What does this move imply? According to this writer's analysis based on various aspects of the situation: The important task of a comprehensive experimental zone of reform is to positively create conditions for promoting reforms that have not yet been implemented, and to deepen the current reform. In a concrete sense, it is to give the role of market regulation a wider scope. While promoting and deepening the current reform, the scope and depth of opening up should be further expanded. Moreover, an export-oriented economy should be vigorously developed. Additionally, the pace of economic development should be accelerated, so that a new level of development can be achieved by the end of the century.

The Jump After the Implementation of the Reform [subhead]

Reform and the policy of opening up have been implemented in Guangdong for 9 years. Although the path has not been smooth, encouraging results have been achieved since the reform and the policy of opening up have been put into practice. In 1979, the central authorities granted Guangdong permission to adopt special policies and flexible measures. Thus, Guangdong was able to take an advanced step in implementing the reform and policy of opening up. In the province, three special economic zones—Shenzhen, Zhuhai, and Shantou—were created; two coastal open cities—Guangzhou and Zhanjiang—were established; the open economic zone of the Zhujiang Delta was developed; and an export-oriented situation of diversified levels, forms, and functions was formed. As a result, economic construction has achieved unprecedented development.

Over these 9 years, the total value of social fixed assets investment of the whole province has exceeded that of the 29 years before 1978. The basic strength of various departments of the national economy has been greatly increased, and social productive forces significantly improved. When figures for the year 1986 are compared with those of 1978, the total value of social production of the whole province increased by 160 percent, climbing from seventh position in the whole country to third; national income increased by 13 percent, climbing from sixth to third position; and financial income increased by 102 percent, moving from 10th position to fourth. Economic development in 1987 exceeded people's expectations. The gross value of industrial output exceeded 67.2 billion yuan, 29.4 percent more than that of 1986, and the highest growth rate in the whole country. In agriculture, total grain production for the year exceeded that of 1986 by more than 1 billion kg. Except for sugar cane and silk cocoons, whose production decreased, production of and income from forestry, animal husbandry, sideline occupations, and fishery increased tremendously. The total value of exports exceeded \$5.5 billion, contributing one-sixth of that of the whole country, and Guangdong became one of the successful provinces of the whole country. At the same time, on the basis of the \$4.3 billion of foreign funds invested in the province over the preceeding 8 years, another some \$1 billion of foreign funds were used. Apart from this, the establishment of some 4,000 Sino-foreign joint ventures, Sino-foreign cooperative ventures, and wholly foreign-owned enterprises throughout the province were approved. Obviously, economic development has significantly raised people's living standards. At present, urban savings deposits throughout the province total 13.6 billion yuan, the highest amount in the country.

Specialists feel that the economic development rate of Guangdong is close to or has caught up with that achieved by Asia's "four little dragons" in the 1960's and 1970's, when their economies soared. Guangdong has

the material and social conditions for further development. Because of these developments, Guangdong has been assigned the role of a comprehensive experimental zone of reform.

Formulation of A New Blueprint [subhead]

Now, the party and government decisionmakers of Guangdong have the situation well in hand and are planning a new strategy. They are speeding up the formulation of a blueprint for deepening the reform, expanding the scope of opening up, and accelerating economic development. Beijing also sent important officials such as Zhang Jingfu and Gu Mu to Guangdong to investigate and study, and to give assistance in formulating this blueprint.

At the Seventh Plenary Session of the Fifth Guangdong Provincial CPC Committee held at the end of last year, provincial party committee Secretary Lin Ruo put forward a preliminary idea on the economic development strategy for the current period up to the end of the century for Guangdong. In short, it is to realize "a single target," to promote "two transformations," and to first establish a new socialist economic setup with Chinese characteristics in Guangdong. "A single target" means that by the end of the century, using 1980 as a basis, the gross value value of Guangdong's national product should be increased 8 times, and the average annual growth should be about 10 percent. Foreign exchange earned from exports should be increased by more than 8 times, and the average annual growth should exceed 11 percent; per-capita product should reach 2,800 yuan, and people's living standard should reach a comparatively well-off level before that of the whole country. The "two transformations" are: To transform a product economy into an advanced commodity economy, and to establish a corresponding market structure; and to transform a domestic-oriented economy into an export-oriented economy. By that time, the total provincial export value should reach 30 percent of the provincial gross product value, and that of the Zhujiang Delta should be even higher.

At the beginning of the year, Guangdong Governor Ye Xuanping gave a further description of the blueprint for Guangdong's social economic development for the period up to the year 2000 in his government work report: Guangdong should take the international market as its guide, rely on the support of the domestic market, and depend on scientific and technological advancement and scientific management to give full play to the role of the three special economic zones in Guangdong, vigorously develop export-oriented economy, and accelerate the process of social-economic modernization. This would enable the Zhujiang Delta, of which Guangzhou is the center, to become an economic area focusing on export-oriented economy with comparatively strong internal and external capability. Thus, greater economic development of the coastal and mountain areas should

be promoted. Guangdong can be developed into a province which has a more advanced socialist commodity economy, and a province that is more open to the outside world.

In order to realize these ideas of economic development strategy, Guangdong has clearly decided to stress the following four key points in economic development:

1. An export-oriented economy should be vigorously developed, and the scope of earning foreign exchange through export should be expanded. On the basis of earning foreign exchange through export and use of foreign funds, advanced technology should be imported and an export production system should be established. Furthermore, cooperation between Guangdong on one hand and Hong Kong and Macao on the other should be strengthened. Guangdong should face the world and establish an international marketing system.
2. Guangdong should take an advanced step to develop the energy, transportation, and communications infrastructures. In addition, the raw materials industry should be developed vigorously.
3. Agricultural modernization should be promoted enthusiastically. Agriculture that can earn foreign exchange through export and developmental agriculture should be developed. The capability for after-treatment and processing of agricultural products should be strengthened.
4. Science and technology and education should be developed vigorously, and the quality of laborers should be improved. Reserve strength should be boosted through scientific and technical and education advancement, through which faster development of the national economy can be achieved in the process of high returns.

Opening A Path Through Deepening the Reform [subhead]

To achieve the above-mentioned strategic economic development targets, Guangdong has decided to promote reform and the policy of opening up from the following aspects: to accelerate the construction of a socialist market system, and to perfect the enterprise management mechanism, rural management mechanism, and macroeconomic regulatory and control mechanism. Moreover, comprehensive reform of the foreign economic and foreign trade management mechanism should be carried out. In the next few years, Guangdong should try its best to set up a new structural framework centered on large and medium-sized cities, which is beneficial to the development of a socialist commodity economy, and can regulate and control economic operation effectively. Based on requirements established by the central authorities on setting up a comprehensive experimental zone of reform, Guangdong has drawn on collective wisdom and absorbed all useful ideas to set the criteria, formulate a plan, and define the procedures for implementing in depth reforms in the finance, monetary, foreign economic and foreign

trade, price, labor wage, planning, real estate, scientific and technical education systems and so on. These can be implemented once they are approved by the central authorities. In coordination with the economic structural reform, the political structural reform in Guangdong will also be launched at the same pace.

Reform and the policy of opening up have been in effect for 9 years, and Guangdong has already taken a solid step. Starting now, it will take another step, which is more important than the first. In this sense, how will Guangdong act in 1988, the first year of the new step? Not long ago, Guangdong Governor Ye Xuanping revealed the following:

1. While enterprise reform is being deepened, reform of the market, price, finance, investment, material and foreign trade systems in particular should be developed and perfected; and they should attain new breakthroughs. The reform of commercialization of housing in cities and towns should be continued and promoted. The work of the trial points of the real estate markets in cities and towns should be handled well.
2. Steady growth of the national economy should be sustained. In 1988, the gross value of domestic product and the gross value of agricultural and industrial output of the whole province should increase by 10 percent and 11.5 percent respectively. Agriculture that can earn foreign exchange through export and developmental production should be continued and expanded, so as to increase the gross value of agricultural output for the year by 6 percent. Once the quality of industrial products is raised, those industrial products that have a ready market should be produced, material consumption should be reduced, and economic returns should be increased; industrial output value should increase by 13 percent.
3. Key construction projects should be strengthened continuously. A number of infrastructural construction projects on energy, transportation, communications, and so on should be completed. We should definitely ensure that the 550,000 kilowatt power unit of the Huangpu Electric Plant can be put into operation, the construction of the Qingxi Hydroelectric Power Plant can be continued, and new electric power plants at Yunfu and Meixian can be built. Apart from these, we should also ensure that the Jiujiang, the Luoxi, the Hanjiang, the Dongjiang, and the Waihai bridges can be completed and put into use, ensuring uninterrupted traffic on main highways. Moreover, we should build and complete the Hengyang-Guangzhou double-track railroad, continue to build the Yaogu-Maoming railway, and continue to grasp the construction of the main harbors at Huangpu, Zhanjiang, Shantou and so on. Furthermore, this year's construction plans in raw materials such as cement, industrial chemicals, nonferrous metals and so on should be grasped and fulfilled.

4. In serving economic construction, scientific and technical, and educational undertakings should advance and attain new development. Scientific and technical structural reform should be deepened, and should center on the key technical problems concerning economic development that have to be solved urgently. In addition, scientific and technical strategic tasks should be organized, and the "spark plan" should be promoted. Also, the education structure should be readjusted; high-level, middle-special, and vocation technical schools should be developed; and the 9-year free education system should be promoted.

5. The current beneficial opportunity in the international market should be grasped, foreign trade activities should be expanded, and a more than 10 percent growth in the total export value of the whole province this year should be achieved. Various channels for utilization of foreign funds should be developed positively, and the direction of foreign investment should be guided correctly. The investment environment should be improved further to provide more suitable locations and more favourable policies for foreign investors, to promote greater development of the utilization of foreign funds. The tourist industry should be developed vigorously.

To adapt to the pace in accelerating the reform and the policy of opening up, as approved by the State Council, Guangdong readjusted part of its administration divisions in January this year. The administrative system by which cities govern the counties is being adopted in an all-around manner. In this readjustment, the existing Zhaoqing, Huiyang, and Meixian prefectures were removed. The locations of these three administrative offices were changed into city organizational systems. Shanwei, Heyuan, Yangjiang, and Qingyuan cities were newly set up; and two cities at county level, Dongguan and Zhongshan, were upgraded to regional cities. Not long before this change, as approved by the State Council, the scope of the economic open area in the Zhujiang Delta was expanded from the original small delta into a large delta; and the number of counties and cities there was expanded from 17 to 28. Apart from these, parts of the counties of Shantou, Zhanjiang, Maoming, Huizhou, and so on were also included in the scope of the economic open area, and they can also enjoy related favorable policies. Such regional readjustment will play a positive role in deepening the reform, expanding the opening up, and accelerating the economic development of Guangdong.

Shenzhen Issues Cross-Border Traffic Regulations
OW260835 Beijing XINHUA in English 1036 GMT
26 Feb 88

[Text] Shenzhen, February 25 (XINHUA)—Motor vehicles running between the mainland and the regions of Hong Kong and Macao will be subject to registration at Chinese customs as of March 1, Shenzhen's Kowloon customs has just announced.

The vehicles referred to include passenger buses, cargo vehicles and private cars, customs officials said.

The General Administration of Customs has issued two sets of regulations covering such vehicles including those carrying bonded goods assembled on the mainland for export.

The regulations stipulate that enterprises should have their vehicles transporting bonded goods and the drivers registered at customs offices in their localities.

Registered vehicles and enterprises will be given certificates, renewable annually.

These measures are designed to promote economic activities with foreign countries and speed up transportation for the convenience of trade, according to the regulations.

Hainan To Have More Control in Import, Export
HK250544 Beijing CHINA DAILY in English
25 Feb 88 p 1

[By staff reporter Nie Lisheng and Wang Xiaomei]

[Text] Haikou, Hainan—Hainan Island will be given much greater decision-making powers over its exports and imports when it becomes a province later this year.

The island may export as many products as it likes without being restricted by the state export quota licensing system, Meng Qingping, deputy party committee secretary of the Hainan Administrative Zone, said in an interview.

It will have to report its export business to the central government but only its exports will be automatically approved, Meng said.

The island will also have the right to approve its own imports of production materials, including raw materials, fuel, parts and 24 categories of goods under State import control, he said. But these imports should be brought in only for use on the island.

Imported sweets, wines and cigarettes will still be liable for duty, as required by State regulations, but the rates will be cut by half.

Finished products made with duty-paid imported raw materials or parts can be sold to the mainland under the preferential terms applied to the island if factories there have increased the value of the goods by at least 20 per cent.

More flexible financial policies will also be introduced on the island, Meng said. Foreign exchange transactions may be made freely on the island itself and with special economic zones in other parts of the country.

The island will be allowed to keep all its foreign exchange earnings, with enterprises retaining 85 per cent of their foreign exchange income from export, he said.

With permission from the People's Bank of China on the island, foreign banks may open their branch offices to deal in foreign exchange, stocks and securities.

To attract foreign investment, joint venture, co-operative projects and enterprises with solely foreign capital will be exempted from profit tax for two years and will pay only a percentage of their taxes for two years and will pay only a percentage of their taxes from the third year, Meng said.

The profit tax exemption period may be extended to five years if such enterprises are engaged in industrial and agricultural production and development of high technology.

The island's exit and entry formalities will also be greatly simplified, he said. Hong Kong and Macao compatriots may stay as long as 15 days on the island with their identification cards, while Taiwan compatriots can stay for the same period with their travel certificates.

Foreigners may also visit the island for up to 15 days by showing their passports at frontier posts. They will not need to apply for visas through Chinese embassies and consulates.

Businessmen who are visiting their companies or factories on the island may apply for permits for temporary residence last six months or one year.

Hainan Island also plans to work out a series of detailed regulations concerning housing and land management and environmental protection to assure overseas investors that their rights and interests are legally protected in China.

The right to use land can be transferred for a payment which will entitle users to keep the land for up to 50 years, Meng said.

He said the present international economic situation was quite favourable for the development of an export-oriented economy on Hainan Island.

China's open policies are adequate for practical use, he said. The problem lies in the need to make them more widely understood, especially by those who think investment conditions in socialist countries cannot be as convenient as those in capitalist countries.

He said that any economic practices which had proved successful in foreign countries or in China's special economic zones or which had not received a sufficient trial elsewhere in China would be tried out on Hainan Island.

Southwest Region

Sichuan To Raise Pork Price Restrictions

HK260409 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 26 Feb 88

[Text] According to SICHUAN RIBAO, in order to promote the steady development of pig production in Sichuan, the province will press ahead further with reforms of the pork sales price on the basis of the reforms carried out last year. Places that have already lifted price restrictions must further perfect and harmonize this reform. Cities and prefectures that have lifted restrictions partially should lift them further and abolish rationing.

Following the lifting of the pork price restrictions, it is necessary to provide staff and workers with a certain amount of compensation. In cities such as Chengdu, Chongqing, Zigong, and Panzhihua, where the restrictions have not yet been lifted, the enterprises will increase the subsidies for the staff and workers in addition to the 5 yuan bonus provided by the state, to ensure that pork prices can be held relatively stable.

While publishing this news, SICHUAN RIBAO today also carries a commentator's article entitled "It Is Necessary Both To Lift Restrictions and To Maintain Good Control."

Lamas Say Tibetan Nationalist Dies in Prison

HK260518 Hong Kong AFP in English 0430 GMT
26 Feb 88

[Text] Beijing, Feb 26 (AFP)—Geshe Lobsang Wangchuk, a leading Tibetan nationalist and one of the most celebrated monks fighting against Chinese rule in Tibet, died in prison late last year, according to several Tibetan lamas.

The 74-year-old monk died in a prison in the Tibetan capital Lhasa late last year, probably after being ill-treated during detention, said several Tibetan lamas who were to visit Lhasa this week to attend the "Great Prayer" Festival.

"He is dead. We all know that he is dead," said a lama who requested anonymity, as a colleague nodded his head in agreement.

"The Chinese gave him complete liberation. He is now free forever," another informed Tibetan source said.

"That's what they have done with many geshe (Tibetan scholars). Many died in prison," added the source, who also asked not to be named.

Lobsang Wangchuk was among the top Tibetan religious and political leaders imprisoned by the Chinese in 1959 after they put down a bloody anti-Chinese uprising and after Tibet's spiritual and temporal leader, the Dalai Lama, fled to exile in India.

Several geshe and other Tibetan intellectuals were persecuted or eliminated after China invaded Tibet in 1950, after the 1959 uprising, and during the Cultural Revolution (1966-76), according to Tibetans living in exile.

Lobsang Wangchuk was freed after the Cultural Revolution but was incarcerated again in 1984, when he was sentenced to 18-years imprisonment for separatist activities, the same sources said.

News of the death of the monk, who was highly respected in the Tibetan religious hierarchy, was first announced last year by the Central Tibetan Secretariat in exile in New Delhi.

The secretariat said the Tibetan activist died on November 4, 1987, after he was forced to undergo exhausting physical labour in spite of his age and after he was beaten up by guards.

China has denounced the announcement of Lobsang Wangchuk's death in prison as "totally false" and stressed that all the Tibetan religious dignitaries imprisoned in 1959 have since been freed.

Lobsang Wangchuk was adopted as a "prisoner of conscience" by the London-based human rights organization Amnesty International and when his death was announced Tibetans living in exile spent several days in mourning and prayer for the nationalist leader.

Three anti-Chinese demonstrations took place in Lhasa at the end of September and the beginning of October.

A protest in Lhasa on October 1 turned into a riot when thousands of demonstrators set fire to a police station and police opened fire on the crowd, killing and wounding between six and thirteen people, according to reports.

Xizang Leaders Attend Religious Festival
OW260325 Beijing XINHUA in English 1345 GMT
25 Feb 88

[Text] Lhasa, February 25 (XINHUA)—Local leaders including Wu Jinghua, the Communist Party secretary for the Tibet Autonomous Region, attended today's "Moinlam Qenmo", Tibet's most important religious festival.

Wu, in a Tibetan robe and with a scarf around his waist, folded his palms to greet the 2,000 lamas at the ceremony.

A senior lama, according to conventional practice, presented Wu with buttered tea, cooked rice, and a hada (a piece of silk used by Tibetans to greet quests of honor.)

On behalf of the local government, 2 officials in the company of the party secretary donated 10 yuan to each of the attending lamas.

Xizang Religious Ceremony Shown Live on TV
OW260343 Beijing XINHUA in English 1555 GMT
25 Feb 88

[Text] Lhasa, February 25 (XINHUA)—Tibet's most important religious ceremony of the year was broadcast live on television today for the first time ever.

The local station, set up only in 1985, sent a staff of 23 and 3 cameras to cover the event at the Jokhang Temple in the center of Lhasa, the Tibetan capital.

Pictures were relayed via a mobile van parked outside the temple. Commentaries were provided in both Tibetan and Chinese languages.

The station airs 6 hours of programs a day, about one third in the Tibetan language.

All the counties in Tibet have satellite television ground stations and TV can now reach 36 percent of the Tibet Autonomous Region.

North Region

Beijing Private Organizations Help Development
OW260243 Beijing XINHUA in English 1512 GMT
25 Feb 88

[Text] Beijing, February 25 (XINHUA)—Two nongovernmental organizations in Beijing have provided vocational training to some 45,000 people in an effort to help develop the local economy.

The Beijing Democratic National Construction Association and the Beijing Federation of Industry and Commerce are composed of scientists, technicians, and experts in various fields.

They have set up 2 secondary technical schools, 7 spare-time schools, and 966 training classes in the past few years.

They have also provided consultation services for 432 projects for local enterprises and government organizations in the past 3 years. Their consultation services in the last year alone could generate economic returns amounting to 14 million yuan.

As many of their members have foreign connections, they have also negotiated in more than 200 foreign trade transactions.

Shanxi To Solicit Public's Suggestions
*HK250951 Taiyuan Shanxi Provincial Service
in Mandarin 2300 GMT 23 Feb 88*

[Text] At an executive meeting of the provincial people's government on 22 February, the provincial government studied and adopted a resolution on establishing the Shanxi provincial people's government system for soliciting suggestions from the masses.

The resolution says: The provincial people's government has decided to establish the system of soliciting suggestions from the masses of the people. This has been decided in order to maintain closer ties between the provincial people's government and the masses, and to encourage the broad masses of the people to participate actively in and discuss government and political affairs with the purpose of enabling them to do a still better job of exercising their right to administer state, economic, cultural, military, and public affairs, and their right to criticize state organs and make suggestions in this regard.

First, the provincial people's government will solicit publicly from the broad masses of the people and personalities in all circles, including those not residing in Shanxi, suggestions regarding major issues in the economic, political, cultural, social, scientific, technical, and educational fields in our province. The provincial government will listen conscientiously to and accept opinions and suggestions made by the masses. The government will regard this as important day-to-day work, and will place this work on the agenda.

Second, the masses in all areas can send their suggestions in writing to the general office of the provincial government. Those who reside in the provincial capital can make such suggestions by telephone or by calling the general office. They can also make such suggestions through various meetings and news media. The provincial people's government must strengthen contacts with provincial People's Congress deputies and provincial CPPCC Committee members, strengthen relations with all democratic parties and mass organizations, always take the initiative in listening to their opinions and suggestions and conscientiously take action regarding them and, through them, listen to and solicit suggestions from the masses of the people. In accordance with real needs, the provincial people's government will organize

the masses from some circles to discuss major social issues, important plans for promoting reform, important draft laws and regulations, and important rules.

Third, the general office of the provincial people's government has set up a special organ called the Shanxi Provincial People's Government Office for Soliciting Suggestions from the Masses. After receiving those suggestion that must be studied and handled by the provincial people's government, the office will finish within a week the work of systematizing such suggestions and sending them to relevant leading comrades with the purpose of seeking their comments on such suggestions. If there are important suggestions, the office will ask principal leading comrades within the provincial government to study them personally. Regarding those suggestions that must be studied and handled by relevant departments and local authorities, the office will be in charge of coordinating relevant work and ensuring implementation of such suggestions; relevant departments and local authorities must actively take concerted actions. Generally speaking, after receiving a suggestion the office and relevant organs must responsibly brief the sender within 2 months of such a suggestion on details of their handling of the suggestion. People's governments at all levels, and all organs, organizations, enterprises, and units must support and encourage the masses of the people to exercise according to law their democratic right to make suggestions for the provincial people's government.

Fourth, suggestions that are of some reference value and are fit to be published will be recommended to the SHANXI RIBAO for publishing in the paper's special columns.

Fifth, it is imperative to give spiritual and material rewards to those personnel who have made important rationalization suggestions and proposals.

Northwest Region

CPC Appoints Qinghai Party Deputy Secretary
*OW260825 Beijing XINHUA Domestic Service
in Chinese 1300 GMT 25 Feb 88*

[Text] Xining, 25 Feb (XINHUA)—The CPC Central Committee has decided to appoint Comrade Tian Chengping deputy secretary of the Qinghai Provincial CPC Committee.

Tian Chengping, 43, was formerly secretary of Beijing's Xicheng District CPC Committee. He graduated from the Civil Engineering Department of Qinghua University.

Taiwan Paper Cited on New Policy Toward Mainland
OW250503 Beijing XINHUA Domestic Service in Chinese
1527 GMT 24 Feb 88

[Text] Hong Kong, 24 Feb (XINHUA)—According to a report of Taiwan's LIEN HO PAO, the Taiwan Kuomintang has agreed, in principle, to review the "policy toward the mainland" at the 13th Kuomintang Congress, plan for greater initiative, and consider opening indirect people-to-people trade and establishing cultural and sports exchanges with the mainland.

The paper says: The Kuomintang policy-makers have decided to list the "policy toward the mainland" as an item on the agenda of the 13th Kuomintang Congress so as to plan for a brand new "policy toward the mainland" that demonstrates great initiative. The paper says: The Kuomintang considers inclusion of the following into the new "policy toward the mainland": taking the initiative to invite mainland students studying abroad to visit Taiwan; relaxing the restrictions on visits to relatives on the mainland, and reviewing

President Li Meets With Japanese Dietmen 25 Feb
OW260429 Taipei CNA in English 0244 GMT
26 Feb 88

[Text] Taipei, Feb. 26 (CNA)—President Li Teng-hui received Japanese Dietmen Arima and Nagamatsu in the presidential office Thursday [25 February].

President Li thanked the two Japanese lawmakers for their endeavors to help settle the problem of Japan's compensation to the bereaved families during World War II.

The dietmen briefed President Li on the Japanese Diet's approval of the compensation bill of the Taiwanese draftees, and said they will continue to help settle other Japanese debts to ROC [Republic of China] citizens in the next three years.

President Li said he hoped they would continue their work in resolving other pending problems between the ROC and Japan after the war. Presidential Secretary-General Shen Chang-huan and Vice Foreign Minister Charles Shu-chi King were present at the meeting.

'Ranking' KMT Members Allowed To Visit Mainland
HK260540 Hong Kong AFP in English 0534 GMT
26 Feb 88

[Text] Taipei, Feb 16 (AFP)—Taiwan is to allow ranking members of the ruling Kuomintang (KMT) to visit Mainland China for family reunions under new travel guidelines approved Thursday, a KMT official said Friday.

But Central Standing Committee and Central Advisory Committee members, leading party officials, and executives of KMT-run cultural and economic organizations must seek party approval of mainland trips, the official said.

The KMT's policy-making Central Standing Committee Thursday endorsed the less restrictive travel rules and notified all party offices to comply with them, the official said.

The party would revoke the membership or suspend rights of violators, he added.

The KMT relaxed a ban on visits to China in November, enabling local residents to visit relatives they had not seen for almost 40 years, but public servants and military personnel were excluded.

There have been reports that authorities here might permit tourist visits to the mainland and open cultural and sports exchange activities when reviewing the travel policy in April.

'Family Visits' to Mainland Said Used for Business
OW241230 Taipei CHINA POST in English 20 Feb 88 p 4

[Text] A recent upsurge in investment in Hong Kong and Southeast Asia by local businessmen has been fueled by a desire to tap the Mainland China market via entrepôts in neighboring areas, the CHINA TIMES [CHING CHI JIH PAO] said yesterday.

Quoting commercial sources, the paper said many traditional industries, including umbrella, shoe and garment manufacturers, have sent personnel to Mainland China under the guise of family visits to do market research. They have also engaged foreign consultant firms to conduct in-depth analyses of the mainland market.

The textile industry, in particular, is planning to send a fact-finding group to the mainland under the cover of family travel, the CHINA TIMES said. Despite government efforts to prevent such a visit, the number of businessmen signing up for the tour has been tremendous, the paper noted.

Caution Urged in Trade with E. Europe, Mainland
OW260137 Taipei International Service in English
0200 GMT 24 Feb 88

[Text] Mr. Hsiao, director general of the Board of Foreign Trade, Monday called on local businessmen to keep in mind national interests while engaging in indirect trade with mainland China or promoting commercial exchange with Eastern Europe. Hsiao said that the Peking regime has never given up its ambition of invading Taiwan or taking the island by force. He cautioned that Peking changes its policy all the time. Local businessmen, therefore, he said, should be cautious in trading with mainland China through a third party. He also pointed out that political and economic systems in Eastern Europe are different from those in the ROC [Republic of China]. The trade official urged local traders to exercise caution in developing commercial exchanges with their Eastern European counterparts.

Opposition Party To Hold Seminars on Independence
OW241226 Taipei CHINA POST in English 16 Feb 88 P 12

[Text] Ignoring warnings from the ruling Kuomintang and pleas by prominent dissidents, the opposition Democratic Progressive Party [DPP] will continue holding seminars on whether the people have the right to advocate Taiwan independence, a DPP spokesman said yesterday.

The DPP will hold eight seminars from March 8 to April 1 in Ilan, Hualien, Taoyuan, Changhua, Taipei, Nantou and Miaoli counties and in Taipei City to discuss the issue, the spokesman said.

During its plenary meeting in April, the DPP will vote on whether to include the clause, "The people should have the freedom to advocate Taiwan independence" in its party platform.

Two prominent dissidents, former Legislator Huang Hsin-chieh and former Taiwan Provincial Assemblyman Chang Chun-hung, also asked the DPP to immediately stop discussions on independence and to work for further democratization first.

Huang and Chang were paroled last May after serving more than half of their 14-and 12-year prison terms, respectively, for sedition after instigating a riot in Kaohsiung on Dec. 10, 1979. They plan to join the DPP next month.

Hong Kong

UK Team Walks Out of Defense Talks

HK260605 Hong Kong *SOUTH CHINA MORNING POST*
in English 26 Feb 88p 1

[By Tsang Shuk-wa and Simon Macklin]

[Text] The latest round of talks on the fiercely contested Defence Cost Agreement collapsed yesterday in less than an hour—despite an offer by Britain to shoulder an additional five percent of the expense of maintaining its Hong Kong garrison.

The British negotiators stormed out of a meeting with a Hong Kong Government delegation, led by the Financial Secretary, Mr Piers Jacobs, after their offer to assume 30 percent of the garrison's running costs was rejected.

Hong Kong officials said later the situation had reached an impasse and there were no plans for further talks.

Mr Jacobs has already taken the drastic step of making no provision for defence costs in the Budget he will deliver to the Legislative Council next Wednesday.

The Government is likely to set aside only \$78 million for the upkeep of the garrison—without contributing to the full multi-billion-dollar cost of maintaining the existing 9,000-man force.

Its current share is about \$1.7 billion annually.

Mr Jacobs, however, is known to have a reserve fund in the budget which could be drawn on if a cost-sharing arrangement is agreed on this week.

The existing seven-year agreement expires in five weeks and if no new deal is reached the British may have to carry the full cost of keeping a garrison in Hong Kong.

It is understood both sides have agreed to calculate as one block the defence costs for the nine-year run-up to 1997 when the territory reverts to Chinese sovereignty.

The British negotiators also agreed to a sliding scale formula, under which Hong Kong would share a progressively lesser amount of the garrison's cost as the police and auxiliary air force assumed more of the duties now carried out by British troops.

The decreasing contribution from Hong Kong could also encourage the British Government to begin the withdrawal of its forces, allowing funds now being used to build or maintain facilities for the military to be diverted to other uses.

It is understood the main area of disagreement centres on how much each government should contribute in the next financial year before the new sliding scale of payment comes into effect.

Little progress was made in yesterday's meeting before it broke up with a walkout by the British negotiators after less than an hour.

If nothing is resolved within the next few days, the Governor, Sir David Wilson, will probably have to take over negotiations personally when he pays a four-day visit to London next month for meetings with Foreign Office ministers and officials.

Hong Kong has been bargaining for a 50-50 defence cost split with Britain but it is understood that it is prepared to accept a 60-40 deal.

The 70-30 cost sharing arrangement proposed by Britain yesterday was still considered inadequate.

Hong Kong can afford to take a tough line in the talks because it holds the partially-elected legislature as a trump card.

The Hong Kong negotiators are in a position to argue that they cannot accept less favourable terms because unofficial members of the Finance Committee, which must approve all major items of Government expenditure, would reject the agreement out of hand.

A number of Legislative Councillors have already said they would vote against any Defence Cost Agreement that did not substantially decrease Hong Kong's burden.

Under the existing agreement Hong Kong carries 75 percent of the garrison cost, representing an annual outlay of about \$1.71 billion.

The garrison includes one British battalion and three Gurkha battalions as well as a Royal Air Force squadron of Wessex helicopters and five Royal Navy Peacock patrol craft.

During the negotiations, the Hong Kong team maintained that the garrison's role would be gradually reduced in the transition period to 1997.

The British team, led by the Assistant Under-Secretary of State (general and finance) at the Ministry of Defence, Mr Brian Cousins, returned to the headquarters of the British forces at HMS Tamar last night to seek further instructions from London.

UK Ambassador to PRC Visits Hong Kong

Briefs Executive Councillors

HK240615 Hong Kong SOUTH CHINA MORNING POST
in English 24 Feb 88 p 2

[Text] The outgoing British ambassador to Beijing, Sir Richard Evans, briefed Executive Councillors on developments in China during his last official meeting with members of the Executive Council [Exco] yesterday.

Sir Richard, who retires in April, spent about an hour exchanging views on China with the Governor and his top policy advisers.

He left the meeting about 10.20 am when Exco members resumed their routine business and refused to speak to reporters.

The Governor, Sir David Wilson, said later that Sir Richard's three-day visit to Hong Kong would be his last in the capacity of ambassador.

"It was his final meeting with the Executive Council and he was giving us a general briefing on the situation in China and on China's relationships with Hong Kong.

"We in turn were expressing our thanks for all the work that he has done while he's been ambassador and all the work which the British embassy in Beijing does on behalf of Hong Kong," Sir David said.

The Governor refused to disclose whether Sir Richard had discussed with members China's reaction to the White Paper on political reform and said only that "like all meetings of the Executive Council, it was confidential".

Sir Richard was involved in the Sino-British talks and personally signed the instruments for ratification of the 1997 Hong Kong agreement three years ago.

Sir Richard's visit ends today and he will give a press briefing at the airport before he leaves at noon.

He will be succeeded as ambassador to Beijing by Mr Alan Donald who takes up the post in May.

Comments on Joint Declaration

OW241554 Beijing XINHUA in English 1450 GMT
24 Feb 88

["Britain, China Faithful to Joint Declaration" —XINHUA headline]

[Text] Hong Kong, February 24 (XINHUA) — The British and Chinese Governments are totally committed to the faithful implementation of the joint declaration on the question of Hong Kong, British Ambassador to China Richard Evans, said here today.

Speaking to reporters at the airport before his departure for Guangzhou, Evans said, "There is still a lot of work to do. And I am quite sure that the embassy will continue to have a very great deal to do with the implementation of the joint declaration."

Evans will soon retire as British ambassador to China. He recalled that he was the leader of the British delegation during 15 of the 22 rounds of Chinese-British talks which led to the joint declaration.

Answering a question about political reforms in Hong Kong, Evans said he believed that the Chinese Government regarded the publication of the white paper as the affair of the Hong Kong Government.

The British ambassador, who was invited to Hong Kong by the governor, David Wilson, for a three-day stay, briefed members of the Executive Council yesterday on progress in China's political and economic reform programs and on the implementation of the joint declaration.

UK Minister Criticized Over SRV Refugees

HK250353 Hong Kong SOUTH CHINA MORNING POST
in English 25 Feb 88p 1

[By Jacqueline Lee]

[Text] Lord Glenarthur, the British Minister of State for Hong Kong, will face another barrage of criticism when he makes his second visit to the territory this week following his implication in a row over Vietnamese refugee resettlement.

Angry Legislative Councillors yesterday said they would demand that Lord Glenarthur explain why Britain had boosted immigration from Vietnam at the apparent expense of its intake of refugees from Hong Kong.

Conservative Member of Parliament, Sir Peter Blaker, said earlier he had been advised by Lord Glenarthur that the number of immigrants arriving in Britain direct from Vietnam under an "orderly departure" scheme had recently increased.

This was despite appeals from Hong Kong—conveyed by Sir Peter in a letter to the Minister of State—for the intake of refugees to be increased from the existing level of 20 people a month.

Sir Peter said Lord Glenarthur had written in reply that there was no chance of the resettlement quota being lifted.

Lord Glenarthur had said that 20 refugees a month from Hong Kong was as much as could be handled by British government authorities and voluntary agencies involved in the resettlement program.

Sir Peter said Lord Glenarthur had also cited the increase in immigration from Vietnam—described only as “significant”—as an additional burden on reception facilities in the UK.

After distributing copies of the letter from Lord Glenarthur to members of a Legislative Council group on Vietnamese refugee affairs, Sir Peter said Vietnamese refugees in Hong Kong should be given priority for resettlement in Britain.

“I don’t have the figures with me at the moment, but if it is correct that there has been a significant increase in the numbers being taken direct (from Vietnam) by Britain...then I believe Hong Kong has a prior claim compared with any program.

“I have no doubt on that score.”

Sir Peter said he remained convinced that the British government had to do more about the refugee situation in Hong Kong.

The convener of the Legislative Council group, Mrs Rita Fan, said last night she was dismayed by what she had been told by Sir Peter, who is the head of the British Parliamentary group on Hong Kong.

“I’m disappointed about the reply as it means it will further undermine the chances of extra quotas being taken from Hong Kong.

The group would map out its plan of action this morning, she said.

She said she would challenge Lord Glenarthur about the contents of the letter when he arrived on Friday for a two-day visit.

Another Legislative Councillor, Dr Ho Kam-fai, also sharply criticised the British decision to increase its immigrant intake from Vietnam.

“I’m disappointed, upset and mad at the move. The British Government is being unfair to the refugees stranded here by allowing people direct from Vietnam to jump the queue,” he said.

“Britain has constantly resisted our pleas for a bigger resettlement quota to clear the Vietnamese refugees stranded here.

The prospect of flying into yet another row in Hong Kong must be daunting to Lord Glenarthur, who must have unhappy memories of his first visit to the territory after assuming responsibility for its affairs last June.

He was sharply criticised for contradictory remarks during a press conference, during which he revealed that Britain had been negotiating with Vietnam.

This conflicted with the official Hong Kong Government line that Hanoi had not been approached.

Law Drafter To Probe PRC-UK ‘Secret Agreement’
HK260501 Hong Kong SOUTH CHINA MORNING POST in English 26 Feb 88 p 2

[By Stanley Leung]

[Text] Basic law drafter Miss Liu Yiu-chu will press for a formal statement from the Chinese authorities on whether they have reached any secret agreement with Britain on introducing direct elections in 1991.

The presence of an agreement would make China’s National People’s Congress—which is responsible for examining and endorsing Hong Kong’s post-1997 mini-constitution in 1990—a rubber stamp, she said.

Miss Liu, a newly-elected Hong Kong delegate to the NPC, is lobbying support from other local drafters and NPC delegates on the issue. She said China’s executive branch should be made more accountable to its legislature.

Miss Liu is upset because the Hong Kong government White Paper on political reform has undertaken to introduce 10 directly elected seats to the Legislative Council in 1991.

Both China and Britain had stressed that any political reforms would have to converge with the Basic Law which will be promulgated in 1990.

This will pre-empt any further consultation undertaken by Basic Law drafters and the public, she said.

She plans to ask for special discussions on the subject during the BLDC’s [Basic Law Drafting Committee] seventh plenary session in April but to achieve this, she has to seek support from at least four other drafters.

Under committee work rules, any five drafters are entitled to propose changes within 15 days of receiving the meeting agenda.

The Hong Kong branch of the NEW CHINA News Agency, China’s representative office in the territory, was aware of her suggestions and was welcome to comment, she said.

Miss Liu will also raise the subject during the NPC’s annual session scheduled for late March.

It may not be possible for her to initiate formal discussions at the NPC’s plenary session as a written motion needs to be raised by any 30 delegates—more than the 22 delegates from Hong Kong and Macao.

However, the issue could be raised during small group discussions among Hong Kong and Macao delegates during the NPC sessions.

Miss Liu will lobby the support of other delegates during a trip to Hainan Island next month.

The White Paper has said that 10 directly-elected seats would be introduced to the Legislative Council in 1991.

The Hong Kong government says the decision on further reforms in Hong Kong has taken account of public opinion, provisions in the Joint Declaration as well as the Basic Law draft on the future political set-up.

All options being considered by the BLDC on the composition of the post-1997 legislature include some degree of direct elections.

It is widely reported that Britain had sought China's endorsement on committing the territory to direct polls in 1991 without waiting for the promulgation of Basic Law in 1990.

China's silence on the issue since the publication of the White Paper has made the public believe that some acquiescence existed between the two governments.

Miss Liu said it was a dangerous trend for the Chinese government to preempt decisions by its parliament.

And existence of these agreements also meant that the BLDC, a drafting body under the NPC, had also been kept in the dark. The forthcoming consultation exercise on the first Basic Law draft would also become meaningless, she added.

PRC Trade Body to Open Local Office
HK240601 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 24 Feb 88 p 3

[By Cynthia Suen]

[Text] The China Council for the Promotion of International Trade [CCPIT] will soon open a representative office in Hong Kong to foster Chinese trade and investment ties with Hong Kong and Southeast Asia.

The new office will also assist clients from Taiwan and South Korea, according to Liu Shaoshan, chief representative of the Hong Kong office.

"If companies or individuals from Taiwan or South Korea demand our consultancy services or want to find trade and investment partners from the mainland, we can be of help," Mr Liu said.

"And should they request confidentiality, it can be done."

There are currently no formal economic links between China and the two countries, but indirect dealings have been an open secret for some time.

China—especially Fujian province, the nearest province to Taiwan—has been stepping up its efforts to woo Taiwanese investors and traders to start business operations in the country.

But Taiwan has repeatedly refused to expand such links. Its nationals are officially banned from any trade or investment activities with China.

But Hong Kong has long served as a go-between. According to figures from the Hong Kong government, indirect trade between Taiwan and China through Hong Kong amounted to U.S.\$1.6 billion last year, up from less than U.S.\$1 billion in 1986.

And an unofficial survey indicated that trade between China and South Korea in 1986 rose by 50 percent to about U.S.\$1.4 billion.

Besides providing information and consultancy services related to trade, the economy and technological co-operation, the new CCPIT representative office in Hong Kong will try to bring potential partners together, promote China's foreign trade and introduce advanced technology to help update existing enterprises.

It will also help organise trade exhibitions in China and abroad, handle legal affairs relating to foreign commerce and trade, and act as an agent for patent applications and trademark registrations.

CPC Recruitment Drive Produces Poor Results
HK240613 Hong Kong SOUTH CHINA MORNING POST in English 24 Feb 88p 15

[Text] Despite Beijing's growing influence in Hong Kong in recent years, not all good local compatriots have come to the aid of their party.

While several thousand CPP [Communist Party of China] members are believed to be in Hong Kong, there are no precise figures available. However, it is known that the CPP's recruitment drive has produced poor results which seems to run counter to Beijing's otherwise successful united front work in the territory.

In 1985, Mr Hu Yaobang, then general secretary of the CPP, told reporters that local Hong Kong people would be recruited into the CPP before 1997.

While Mr Hu has since been demoted, his words still ring true. The CCP has been operating and recruiting members in Hong Kong for the past 60 years.

Certainly, the early suspicion of the CCP has given way to a more open atmosphere as confidence in China increases. Nevertheless, this has not helped the recruitment drive here.

One CPP member, who declined to be identified, said: "The party has no high moral or ideal appeal to people here."

While he agreed with the present goal of modernising China, he said it could be done in a number of ways.

"Why would people want to join the party when their goal of making China rich and strong can be achieved by other means?"

Perhaps some people have become disillusioned with the fact that the Communist Party itself has been racked by much infighting.

"To be a party member, you have to devote yourself to a sacred cause," the member added. He admitted it was difficult to recruit people into the party nowadays.

However, recruitment in Hong Kong has not always been unsuccessful and has always been linked to developments on the mainland and in Hong Kong.

The operation of the Communist Party in Hong Kong is an extension of party affairs on the mainland and a reflection of Beijing's relationship with Taipei and London.

In the 1950s, several incidents involving pro-communist people, pro-kuomintang elements and the Hong Kong Government occurred, resulting in a number of Communist Party members leaving for the mainland.

However, some others returned in response to Beijing's appeal to help build the socialist country.

During this period, a considerable number of students, educated youths and workers were recruited into the Communist Party, according to insiders.

The fact that the economy of the mainland was in an upward swing had also helped attract young people with idealism into the party. Some of the rising stars in the hierarchy of the present-day NCNA were local members recruited at the time.

In the late 1950s and early 1960s when the nation experienced a natural disaster and a worsening relationship with the Soviet Union, it was reasonably assumed the recruitment drive would suffer a setback.

A large number of mainlanders fled to Hong Kong at that time.

However, recruitment picked up again at the start of the Cultural Revolution in 1966 when revolutionary fever spilled over into Hong Kong. Also fanned by nationalism, local leftwingers fanned anti-British sentiment by making use of a labour dispute at a plastic flower factory in San Po Kong in May 1967.

Many local employees now occupying the middle-ranking positions at the China-owned or affiliated enterprises were recruited into the party or fell under its influence during the 1967 riots.

On the other hand, because of the riots and chaos on the mainland, many Hong Kong people turned hostile to left-wingers here and the Communist Party on the mainland. At that time, being labelled a "leftwinger" invited hostility.

Ironically, today, the so-called "leftwingers" are among the most dissenting of Beijing supporters in Hong Kong.

The leftwingers, especially those who are not well-educated, have been given low-rank jobs such as drivers and guards in the China-owned organisations.

In the late 1960s and late 1970s, after emerging from self-imposed isolation, Beijing began to attract more attention both from overseas Chinese communities and other countries.

A change in world opinion about China came after the historic visit by then American president Richard Nixon to China and Beijing's replacement of Taipei in the United Nations.

Locally, a movement was launched by pro-Beijing students aimed at knowing more about China.

This led more younger people to sympathise with Beijing, and in turn polarised political opinion within the local student body.

In 1976 after the downfall of the radical Gang of Four led by Chairman Mao's widow, Jiang Qing, China began to expose the dark side of the cultural revolution.

Many of the pro-Beijing people became disillusioned because of the trauma of being exposed for past beliefs and the shifting political ground.

END OF

FICHE

DATE FILMED

29 Feb. 1988

